Promoting Responsible Development within the City of Houston

Reforming The City's Building Permit Process

THE MAYOR'S BUILDING PERMIT TASK FORCE

REPORT OF RECOMMENDATIONS

To: The Honorable Bill White
        Mayor, City of Houston

From: The Mayor's Building Permit Task Force

27 MAY 2004

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27 May 2004

Mayor's Building Permit Task Force

The Honorable Bill White Mayor, City of Houston

TASK FORCE CHAIR

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The Honorable Bill White
Mayor
The City of Houston
City Hall, 901 Bagby Street
Houston, TX 77002

RE: Mayor's Building Permit Task Force

Dear Mayor White,

Your 10 member Building Permit Task Force wishes to express its gratitude for the honor of serving you and the citizens of Houston in recommending reforms to the City's building permit process. The Task Force, composed equally of the City's permit "Service Providers" and the industry's service "User Customers" has developed its recommended reforms in accordance with your Charge:

CRITERIA FOR REFORM

- Assurance of quality real estate development, neighborhood protection and building construction.
- Quality of customer service in time and convenience.

CONCLUSIONS

Through a process of extensive engagement of stakeholders and benchmarking against other cities, the Task Force reached several important conclusions

- Overall, Houston's real estate development and construction is high quality and the City's regulation is effective
- The City's regulatory process compares favorably with that of other cities' in time and convenience.

REFORM OPPORTUNITIES

However, there is a strong desire on the part of both "Providers" and "Users" to improve the process and both are prepared to make the necessary investments and commitments to effect reform. Analysis concluded several opportunities for reform:

- *Customer's Lack of Knowledge*
  Customer's lack of knowledge of the City's processes and requirements, is the largest single obstacle to successful permitting.

- *Process Inefficiencies*
  The City's processes for regulating development and construction is necessarily complex and process engineering could significantly improve performance.
- *City's Complex "Bureaucracy"*
  The City's complexity in coordination of regulatory departments is the second major obstacle to successful permitting. There are a large number of units involved in the process and communications channels are not well developed. Also, the City's regulatory process does not synchronize well with the Customer's processes for development and construction

REFORM GOALS

The Task Force recommends a set of goals coupled with a set of action steps.

1. *Increase Speed*
   - Reduce the average duration of securing Site Development Approvals by 30%, from 12 to 8 months for a typical commercial project.
   - Reduce average Plan Review submission/rejection re-cycles from 3.5 to 2.
2. *Improve Efficiency*
   - Eliminate work and burdens on both Users and Providers, not simply add staff.
3. *Improve Convenience*
   - Maintain a customer satisfaction level average of 4+ on scale of 1 – 5.

ACTION STEPS

1. *Comprehensive Governance*: Permitting Steering Committee
   - Establish a small Steering Committee with key leadership from Customer-Users, City-Providers and chaired by the Mayor's Deputy Chief of Staff. The Steering Committee would have responsibility for coordination and performance oversight across the full scope of the City's regulatory approval process.
2. *Comprehensive Process Management*
   - Establish a process performance management system with comprehensive scope across all relevant operational units and the full scope of regulatory approvals.
   - Establish centralized, cross-departmental, high quality Customer Service Center with full scope across the entire site development approval process.

3. Additional action steps would be developed under the umbrella of the Permitting Steering Committee and Process Management system:
   - Customer Service Program
   - Customer Education Program
   - Expedited Site Development Approval Process
   - Expedited Plan Review Process
   - Certification of Code Compliance by Licensed Professionals
   - Super Express Plan Review

OBSTACLES AND APPROACHES

There are two major obstacles that must be overcome for effective reform, the City's severe shortage of personnel and funding limitations.

Human Resources

In human resources, there is a chronic and systemic shortage of fully trained staff in essentially all units involved in regulation of development. Additionally, performance management is limited by the City's civil service policies and regulations. Several approaches are recommended:

- *Efficiencies*
  Reduce work levels through process improvement efficiencies noted above in "Goals and Actions."
- *Contract Services*
  Explore contract services for support functions such as training and process improvement programs, as well as line staff positions.
- *Shift Operations to Users*
  Explore opportunities to place more responsibility on Users for appropriate functions of Site Development Approvals, Plan Review and Inspection.
- Self-Certification
  Conformance with code certification by licensed design professionals that construction plans are complete and meet all city code requirements.

Funding Resources

The City's current fiscal constraints are a serious obstacle staffing and programs in key departments. Planning and Development's Code Enforcement Division is funded by permit fees, however these funds are not available to other Departments with key operations in the development regulatory process. Several approaches are recommended:

- Permit fee increases can fund additional staff/equipment to improve Code Enforcement services.
- Other agency functions supporting the construction regulatory processes with general fund revenues could be included within the "Special Revenue Fund" through increased permit fees thereby relieving staff/budget pressures.
- Some percentage of estimated permit fees should be collected up-front so that applicants who never buy permits pay their fair share of service costs.

CONCLUSION

In conclusion, Mr. Mayor, we would like to re-iterate that overall, the City benefits from quality construction and an effective regulatory process. However, there is a very strong desire to improve its performance and a shared commitment to reform the process. Should you concur with these recommendations, we recommend that you appoint the Permit Steering Committee and who can then proceed with a phased approach to implementation.

It has been our honor to serve and we stand ready to assist you in achieving reform of the City's permitting process.

_____
On Behalf of The Mayor's Building Permit Task Force
John E. Walsh, Jr., Chair

Enclosure:
Promoting Responsible Development within the City of Houston
    Reforming The City's Building Permit Process
    May 2004

1 Introduction

Charge from the Mayor

…The Task Force should recommend how the City can reduce significantly the time and inconvenience of obtaining a building permit within the city limits of Houston. The City competes with other jurisdictions for economic activity. We want to encourage responsible building within our City without compromising neighborhood protection or regulatory interests such as flood control. ………….

Mayor Bill White

Task Force

A 10-member leadership group with the Mayor's representation and an equal mix of City building permit officials and Houston's design/build real estate professionals.

Task Force Goals and Objectives

Task force consensus supported report with recommendations that can realistically be accomplished to achieve Mayor's reform directive.
Issues to address:

- Quantitative and qualitative performance measurement of current process
- Goals for improvement,
- Major impediments to improvement and remedies
- Process improvement steps and implementation plan for change in education and training, organization and personnel, application of technology and a culture of customer service.
- Projected improvement results and impact on stakeholders and the overall community.

Analysis and Conclusions

The Task Force analyzed Houston's real estate development activity and the City's current process for regulating new development and construction. Performance of this process was evaluated and assessed against that of benchmark cities with comparable levels of construction activity.

The Mayor's goals are attraction of new development for the City's economic development coupled with assurance of quality development and protection of Houston's neighborhoods. Therefore, the Task Force's primary criteria for evaluation were:

- Protection of neighborhoods and assurance of quality real estate development and building construction, and
- Quality of customer service in time and convenience.

Based on this analysis, preliminary conclusions were developed for review by major stakeholders in the process of real estate development and regulation. Stakeholders, both "customer service users" and "staff service providers" were then engaged intensively in the process to measure customer satisfaction and develop effective steps for improving the City's regulatory process.

- Survey of 171 respondents with experience in permitting projects in Houston for a wide range of projects, residential, commercial, industrial and spanning all major professions, developers, home builders, architects, engineers, permit service consultants, etc.
- "Service Provider" Workshop, an intensive discussion with a cross section of city officials and staff involved in development regulation.
- "Service User" Workshop, an intensive discussion with a cross section of professionals in Houston's real estate development community.
- "Stakeholder Forum," a large gathering (200+) members of Houston's design-build community and City staff.
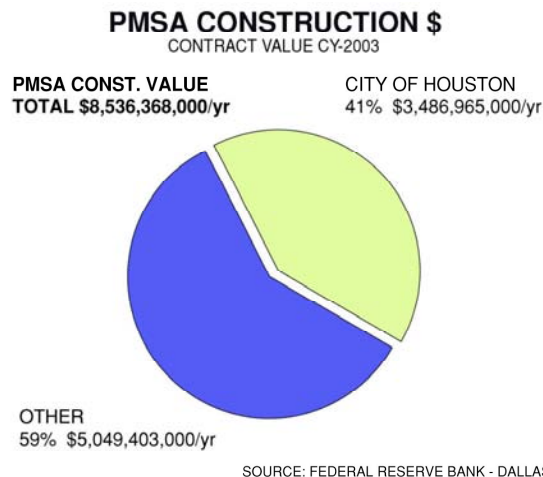
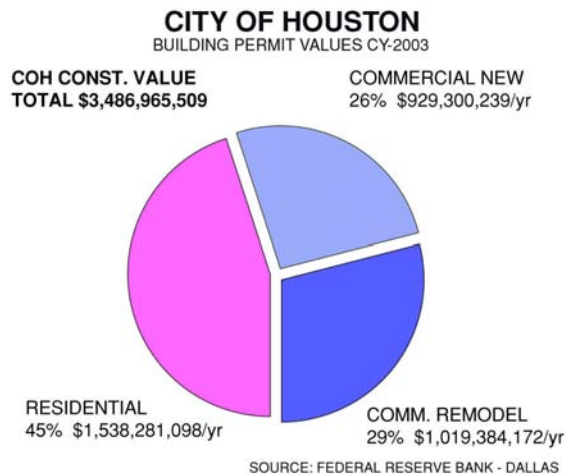Several major conclusions were reached from this research:

2 Conclusions

1. ***Development outside of City***

- Houston is one of the nation's most active real estate markets, averaging $8.5 billion annually, however, only 40% takes place within the City limits, or $3.5 billion. Harris County is perceived as having "much easier" plan review and permitting process. Harris County does not have a construction code enforcement program. Counties in Texas are not constitutionally enabled to adopt and enforce building codes.

  - Only ***40%*** of Houston's $8.5 billion Regional Construction Activity occurs within the City, or ***$3.5 billion***.

PMSA CONSTRUCTION $
CONTRACT VALUE CY-2003

PMSA CONST. VALUE
TOTAL $8,536,368,000/yr

CITY OF HOUSTON
41% $3,486,965,000/yr

OTHER
59% $5,049,403,000/yr

SOURCE: FEDERAL RESERVE BANK - DALLAS

  - Approximately ***half*** of construction is in ***commercial*** facilities and ***half*** is ***residential***.

CITY OF HOUSTON
BUILDING PERMIT VALUES CY-2003

COH CONST. VALUE
TOTAL $3,486,965,509

COMMERCIAL NEW
26% $929,300,239/yr

RESIDENTIAL
45% $1,538,281,098/yr

COMM. REMODEL
29% $1,019,384,172/yr

SOURCE: FEDERAL RESERVE BANK - DALLAS

2. *Three Stage Approval Process*

- Houston's permitting process involves the three basic stages of project development.

    - The overall building process for a typical medium size commercial project takes *up to 36 months* to complete.

HOUSTON'S PERMITTING PROCESS

24-36 MONTHS TOTAL

START   END

SITE DEVELOPMENT APPROVAL 12 MONTHS	PLAN REVIEW 2 MONTHS	CONSTRUCTION - INSPECTION 12+ MONTHS
PURCHASE LAND → PLATTING & UTILITIES → DOCUMENT PREPARATION	PLAN REVIEW	START CONSTRUCTION → CERT. OF OCCUPANCY

3. *High Quality Construction*

- Overall, land development and facility construction is high quality in Houston, thanks to the City's development regulation and enforcement of construction building codes.

    - Houston has no zoning, however, numerous ordinances establish standards for land development.
    - Houston's applicable building codes are current with best practices including the International Building Code, and International Residential Code.
    - Inspection of major projects is effectively maintaining quality construction. Illegal, non-permitted construction does occasionally occur, but it is infrequent and in small projects. Also, comprehensive inspection of permitted projects for compliance with all applicable ordinances can occasionally be limited due to manpower shortages.
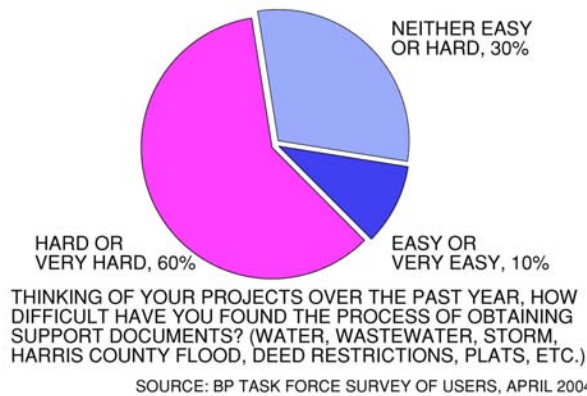
4. *Houston's Process Compares Favorably*

- In general, Houston's permit process compares favorably in code standards and review processes with that of other major cities.

    - Assuring quality real estate development and building construction, Houston's plan review is far more extensive than many other major municipalities and includes a complete code review. New York City, for instance, does not have a structural review, and mechanical documentation is glanced over, relying on site inspections to pick up design deficiencies in documentation.
    - Regarding comparisons to time and convenience in obtaining Site Development Approval (activities such as utilities and platting which precede construction plan review), Houston equals that of most cities. The process involves many different governmental agencies and multiple City departments such as Planning, Design Review Boards, Land Use, and various Commission Reviews.
    - Comparing time and convenience in Plan Review processes, again Houston equals that of most cities. However, cities such as Los Angeles who have implemented programs recommended in this report are now reporting one third less time than Houston. It should also be noted that Los Angeles has twice the number of employees involved in Plan Review than Houston.
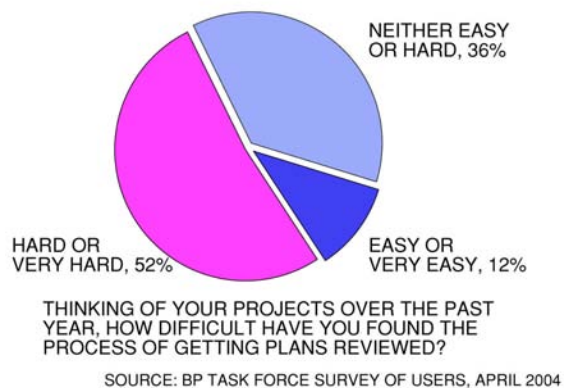
5. *Desire for improvement*

- However, there are perceived problems with the process. Both "staff service providers" and "customer users" of the City's permitting service feel there is significant room for improvement.

    - *60*% indicated it was ***Very Hard or Hard*** to secure the necessary ***Site Development Approvals*** for platting, utilities, easements, flood plain and related requirements.

SITE DEVELOPMENT APPROVAL RATING

NEITHER EASY OR HARD, 30%

HARD OR VERY HARD, 60%

EASY OR VERY EASY, 10%

THINKING OF YOUR PROJECTS OVER THE PAST YEAR, HOW DIFFICULT HAVE YOU FOUND THE PROCESS OF OBTAINING SUPPORT DOCUMENTS? (WATER, WASTEWATER, STORM, HARRIS COUNTY FLOOD, DEED RESTRICTIONS, PLATS, ETC.)

SOURCE: BP TASK FORCE SURVEY OF USERS, APRIL 2004

    - *Half* of those who took the Stakeholder Survey said the City's ***Plan Review*** process was ***Hard or Very Hard*** when compared to other major cities.

PLAN REVIEW APPROVAL RATING

NEITHER EASY OR HARD, 36%

HARD OR VERY HARD, 52%

EASY OR VERY EASY, 12%

THINKING OF YOUR PROJECTS OVER THE PAST YEAR, HOW DIFFICULT HAVE YOU FOUND THE PROCESS OF GETTING PLANS REVIEWED?

SOURCE: BP TASK FORCE SURVEY OF USERS, APRIL 2004

- Customer service is also perceived as a major problem by both service users and service providers.

  - About ***half*** of survey respondents indicated Houston's service was only ***"Occasionally courteous.***"

SERVICE COURTESY RATING

OFTEN
COURTEOUS, 45%

OCCASIONALLY
COURTEOUS, 55%
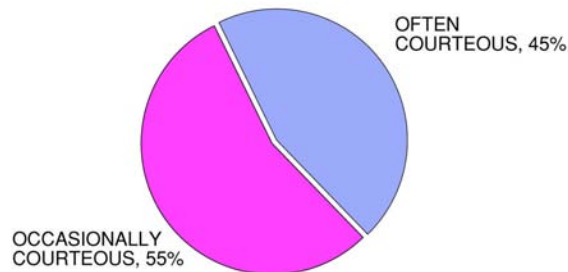
HOW COURTEOUS IS THE STAFF IN
THE REGULATORY PROCESS?
(AGGREGATE OF THE RESPONSES)

SOURCE: BP TASK FORCE SURVEY OF USERS, APRIL 2004

6. ***Improvement Opportunities***

- The following points indicate there are significant opportunities to improve efficiency, reduce time and improve service quality through process engineering, performance management, education and training.

  - Customers seeking Site Development Approvals (platting, utilities, clearing easements, flood plain, etc) must go through numerous steps in multiple departments due to the complexity of Site Development Regulations.
  - For large commercial projects studied, 40% were not able to complete the Plan Review process and obtain a building permit within aa year.
  - Of those projects that did receive a permit, more than half required three or more submission/rejection/re-submission cycles before a permit was issued. The combined total of City and applicant processing time ranged from 45-126 days, and represents a major opportunity for efficiency improvement.

7. *Customer's Lack of Knowledge*

- Major gaps in customer knowledge and misunderstanding of the City's processes and requirements is the largest single obstacle to successful permitting. Gaps in customer knowledge include:

  - The Site Development Approval stage can take up to a year and the process by which the customer arranges for subdivision platting, clears easements, arranges for utilities and related matters is very complex.
  - The majority of first time applicants and those who are doing small projects are not familiar with the process and feel they have no effective means of learning the requirements.
  - The second stage of the process, Plan Review, typically averages only 45 to 90 days for even complex projects. However, weaknesses in communication between customers and plan reviewers relating to rejections are a common problem and contribute to inefficiencies.
  - The third stage involves Construction-Inspection through the issuance of the Certificate of Occupancy, tracks project construction, requires numerous site inspections and can take 2-12 months or more depending on project complexity.
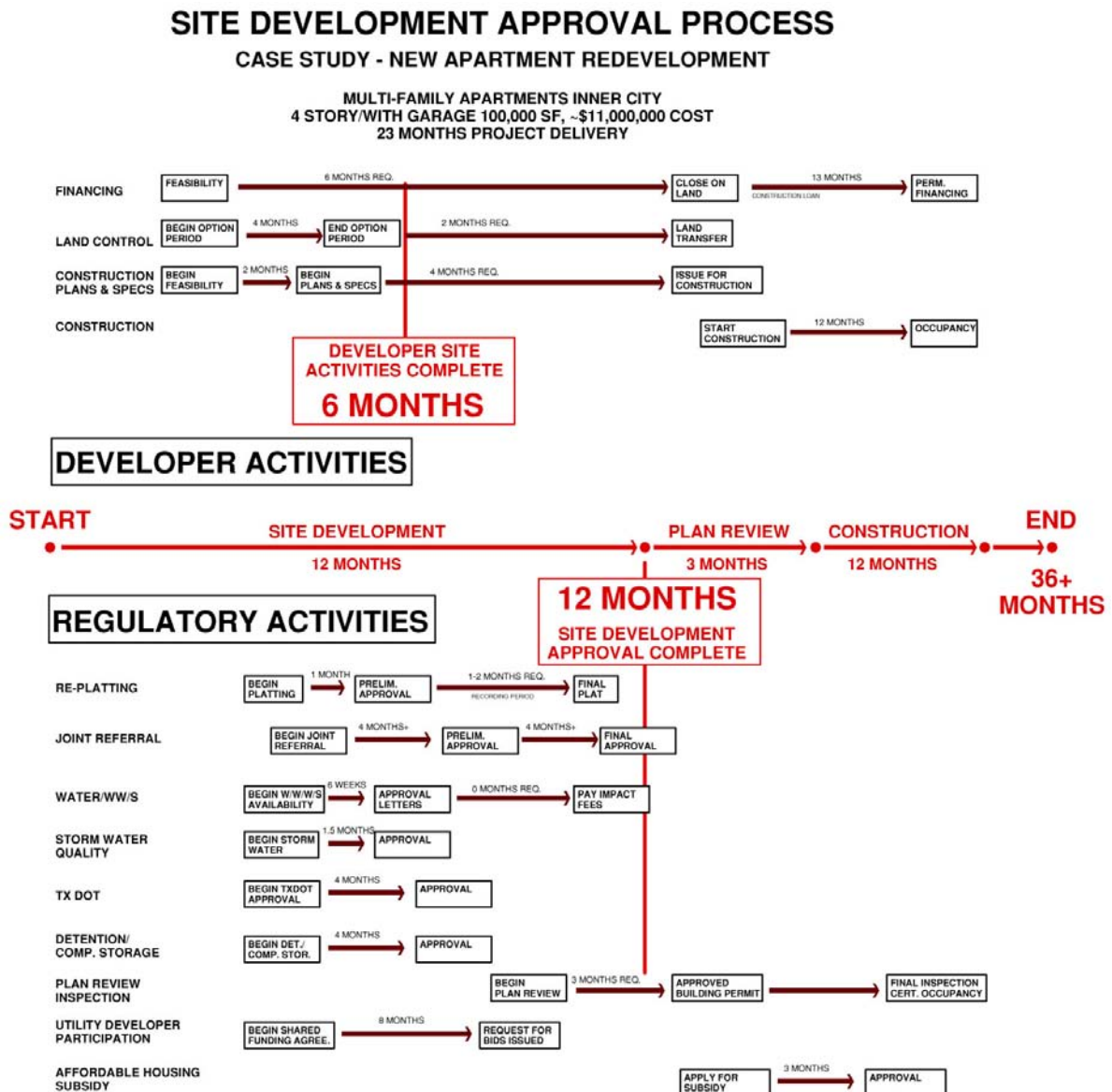
8. *City's Complex "Bureaucracy"*

- The City's complexity in coordination of regulatory departments is the second major obstacle to successful permitting. There are a large number of units involved in the process and communications channels are not well developed.

  - *Six Departments* and numerous Departmental units *have a role* in the process.
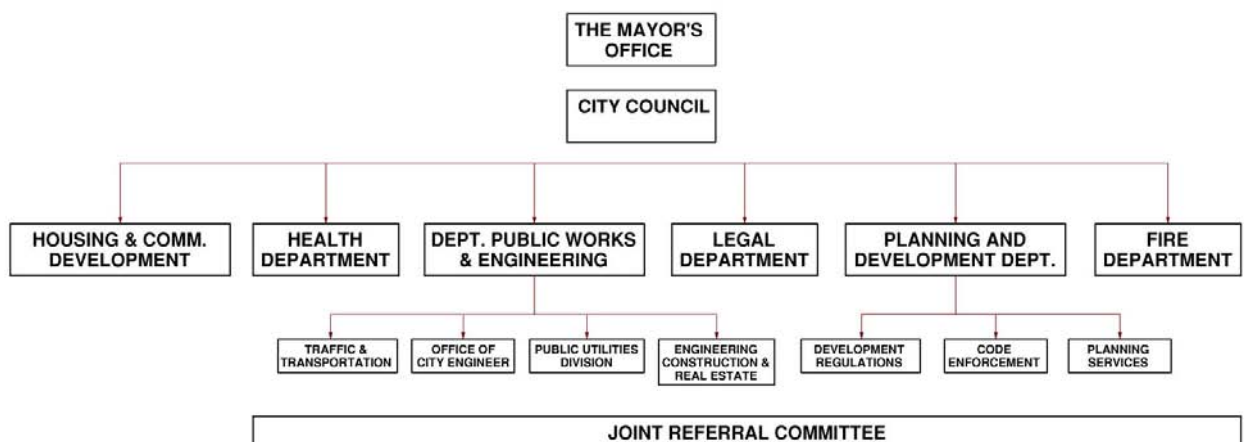
9. *Uncoordinated Site Development Approvals*

- Site Development Approvals (platting, utilities, joint referral, floodplain, etc.) typically take about one year to process through the various agencies, whereas, the Developer/Customer typically requires only about 6 months for a medium size commercial project; hence delays and extra costs. Also, Developers typically defer land purchase closings and other major investments until late in the process, however, the City's required approvals typically necessitate site control ownership.
- The result is added costs, risks and delays to the Developer/Customer.

  - The *Site Development Approval* process imposes *added costs and delays* on the Developer/Customer.

SITE DEVELOPMENT APPROVAL PROCESS
CASE STUDY - NEW APARTMENT REDEVELOPMENT
MULTI-FAMILY APARTMENTS INNER CITY
4 STORY/WITH GARAGE 100,000 SF, ~$11,000,000 COST
23 MONTHS PROJECT DELIVERY

10. *<u>User-Provider Joint Cooperation</u>*

- Both Users and Providers would like to improve service, which is fortunate because this will require the two groups to work together cooperatively to bring about change.

  - Service users pay fees and properly expect service to be delivered in a courteous and efficient manner. They are willing to support higher fees if that is necessary to obtain improvements and the will take responsibility for steps they can take to improve the process.

3 Goals and Action Steps

GOALS:

1. Increase Speed

- *Reduce the average duration of securing Site Development Approvals by 30%, from 12 to 8 months for a typical commercial project.*
- *Reduce average Plan Review submission/rejection re-cycles from 3.5 to 2.*

2. Improve Efficiency

- *Eliminate work and burdens on both Users and Providers, not simply add staff.*

3. Improve Convenience

- *Maintain a customer satisfaction level average of 4+ on scale of 1 – 5.*

ACTIONS:

1. Comprehensive Governance

- Permitting Steering Committee
  Establish a small Steering Committee with key leadership from Customer-Users, City-Providers and chaired by the Mayor's Deputy Chief of Staff. The Steering Committee would have responsibility for coordination and performance oversight across the full scope of the City's regulatory approval process, including Site Development Approvals, Code Enforcement Plan Review, Utility Developer Participation Agreements, Affordable Housing Subsidies and Construction Inspection. This would include multiple City Departments and operational units

2. Comprehensive Process Management

- Establish a process performance management system with comprehensive scope across all relevant operational units and the full scope of regulatory approvals. The system would include an initial process engineering analysis and appropriate improvement steps in organization, communications and operational coordination. The ongoing system would then include standards for process performance, tracking system to

monitor performance and results reporting to the Steering Committee, City management and staff and affected external user constituencies.

3. **Customer Service Program**

- Establish centralized, cross-departmental, high quality Customer Service Center with full scope across the entire site development approval, utility developer participations, affordable housing, plan review, and construction-inspection process. The Customer Service Center will coordinate all City services to the customers, education, problem solving, and linkage to internal staff to address the customer's need.
- Provide 'Account Manager' centralized point of contact for customer.
- Establish customer service survey program, with standards for performance and tracking-reporting system.
- Improve the image and customer service skills of Public Officials.
- Provide a technology and web-based focus to customer service, which provides transparent access to the system.

4. **Customer Education Program**

- Develop customer friendly instruction materials and make available in convenient mediums.
- Provide Code and Ordinance training to the designers.
- Coordinate customer education with work of customer service center through seminars, videos, and brochures.
- Provide a technology and web-based focus to customer education.

5. **Expedited Site Development Approval Process**

- Explore process management opportunities to "re-engineer" the City's process and policies for Site Development Approvals (platting, utilities, joint referral, etc) to correlate more effectively with the Developer/Customer's internal processes and business objectives. The goal should be to assure proper regulatory safeguards coupled with more rapid approvals and deferred capital investment for the Developer.

- Joint Referral represents a good example for assessment and improvement opportunities:

  - Change the current method of appointing appraisers and set enforceable timelines for the performance of appraisals.
  - Change the method of communication with City Council Members regarding Joint Referral matters.
  - Establish a process management function which includes clarification of the steps involved in Joint Referral, a single point of acceptance, and a weekly submission day.
  - Set performance standards and timelines for the performance of functions within the City Departments and Divisions involved in Joint Referral.

6. **Expedited Plan Review Process**

- Establish a "plan receiving function" to greet all applicants, confirm their submission package is complete, meets basic standards and is routed to appropriate unit for first review.
- Offer a structured system of conferences with applicants to review required changes and discuss corrections.
- Provide a list of common rejection items that can be reviewed by the user prior to submission.
- Investigate phasing of permits, which could allow the issuance of separate permits for site work and underground utilities, foundations, shell buildings, shell building and core, interior buildout.
- Develop a computer generated report that identifies plans that have been rejected multiple times and offer assistance by meeting with the owner/developer/applicant to help resolve whatever delay they may be encountering.
- Explore 'redlining' approach to provide on the spot approvals. Under this process, the users would be allowed to 'redline' or correct the plans at a scheduled meeting with regulatory officials with signature, date, and professional seal, without reprinting the corrected drawings.

7. **Certification of Code Compliance by Licensed Professionals**

- Explore and determine most appropriate approach for Houston to allow "self certification" which has been utilized successfully in other cities for certain types of construction. This is a process in which a design professional (architect or engineer) is tested and certified on code knowledge, who then takes responsibility for assurance that plans meet Code requirements. The permit is issued and City inspectors confirm work conforms with code, before issuance of certificate of occupancy.

8. Super Express Plan Review

- Develop a "Super Express Plan Review" which would be a paid review of corrections (not for first time submittals) by appointment only for professionally designed plans only. This will allow the providers to quickly ascertain compliance and approve the project for permit issuance.

4 Obstacles and Approaches

<u>Obstacle One: Human Resources</u>

Obstacles

1. Severe staff shortage

   - There is a chronic shortage of trained staff in all departments active in regulation of development and construction. This is a function of the City's compensation and benefits package and exacerbated by the City's current budget constraints and pending changes in retirement benefits. Additionally, recent retirement of a number of senior staff has caused a great loss in experience and knowledge that is critical to functional management and training of new staff. Private sector employment is attracting City employees and hiring candidates.
   - Limited Supervision
     The combination of high vacancies and heavy workload has required plan review and inspection supervisors to spend more time on direct plan review and inspection functions and less time supervising employee performance.
   - Limited Training
   - Employee training is being shortchanged in order to allocate more time for plan examiners and inspectors to keep up with the workload.

2. Performance Management – Civil Service Limitations

   - Current limitations within the Civil Service structure create difficulties for disciplining and firing unqualified city employees, as well as rewarding outstanding performance in city employees.

Approaches

1. Efficiencies

    - Reduce work levels through process improvement efficiencies noted above in "Goals and Actions."

2. Contract Services

    - Explore contract services for support functions such as training and process improvement programs. Explore contract staffing for positions in Plan Review and Inspection as well as Site Development Approvals. GHBA/DP&D proposal for contract inspectors is pending with City Council.
    - Provide Third-party Plan Review.

3. Shift Operations to Users

    - Explore opportunities to place more responsibility on Users for appropriate functions of Site Development Approvals, Plan Review and Inspection.
      For example:

      - In Joint Referral, more reliance should be placed on the developer/applicant to prepare certain documents.
      - Provide an up-front fee for commercial plan review to reduce the large number of plans (40% of submittals FY 2003-2004) which never complete the process or receive a building permit.

4. Self-Certification

    - Conformance with code certification by licensed design professionals that construction plans are complete and meet all city code requirements. Only the non-code design elements (plat, utility connections, etc.) would require review by city staff.

Obstacle Two: Financial Resources

Obstacles

1. General Fund Limitations

    • The City's current fiscal constraints is causing across the board expense budget reductions and staffing shortages.

2. Enterprise Fund Limitations

    • The City's DP&D Code Enforcement Division is funded solely through permit and inspection fees. However, other Departments involved in the permit process such as DPW&E, City Attorney, Fire, etc., are funded by the City's general revenue and therefore subject to budget fluctuations. This results in staffing instabilities and service quality.

Approaches

1. Permit fee increases can fund additional staff/equipment to improve Code Enforcement services.

2. Other agency functions supporting the construction regulatory processes with general fund revenues could be included within the "Special Revenue Fund" through increased permit fees thereby relieving staff/budget pressures.

3. Some percentage of estimated permit fees should be collected up-front so that applicants who never complete the permit process but take up staff time pay their fair share of service costs.

5 Implementation Plan

<u>Goals</u>

1. *Increase Speed*

   - *Reduce the average duration of securing Site Development Approvals by 30%, from 12 to 8 months for a typical commercial project.*
   - *Reduce average Plan Review submission/rejection re-cycles from 3.5 to 2.*

2. *Improve Efficiency*

   - *Eliminate work and burdens on both Users and Providers, not simply add staff.*

3. *Improve Convenience*

   - *Maintain a customer satisfaction level average of 4+ on scale of 1 – 5.*

<u>Actions:</u>

1. Comprehensive Governance
2. Comprehensive Process Management
3. Customer Service Program
4. Customer Education Program
5. Expedited Site Development Approval Process
6. Expedited Plan Review Process
7. Certification of Code Compliance by Licensed Professionals
8. Super Express Plan Review

<u>Phasing</u>

1. Phase One

   Immediate: 30 Days, All resources and approval immediately available

2. Phase Two

   Intermediate: 6 Months, Development of programs required, approvals and resources developed through established procedures, available funds, etc.

3. Phase Three

   Longer Term, 12 Months +: Programs require development and implementation over longer term required, resources not available from established sources, approvals not readily obtained.

Implementation   **Time Frame**

1. Comprehensive Governance   *Phase One*

   - Building Permit Task Force organize Steering Committee
   - Mayor Appoint members from City staff and design/build
     community

2. Comprehensive Process Management   *Phases Two and Three*

   - Steering Committee organize project and develop plan
   - City take lead, Users support

3. Customer Service Program   *Phases One, Two and Three*

   - Steering Committee organize project
   - Users take lead, City support

4. Customer Education Program   *Phases One, Two and Three*

   - Steering Committee organize project
   - Users take lead, City support

5. Expedited Site Development Approval Process   *Phases One, Two and Three*
   - Steering Committee organize project
   - City take lead, Users support

6. Expedited Plan Review Process   *Phases One, Two and Three*

   - Steering Committee organize project
   - City take lead, Users support

7. Certification of Code Compliance by Licensed   *Phase Two*
   Professionals

   - Steering Committee organize project
   - City take lead, Users support

8. Super Express Plan Review   *Phase Two*

   - Steering Committee organize project
   - City take lead, Users support

6 Stewardship and Reporting

1. Building Permit Task Force

   - Task Force organizes Steering Committee and transition operations to Mayor, Administration and Steering Committee.

2. Performance Management Program

   - Established with standards, tracking and reporting functions accessible to all.

3. Management Oversight

   - Mayor's office establishes Position in Administration with span of control across full scope of functions involved in Site Development Approvals, Plan Reviews and Construction Inspection.

Appendix A

Stakeholder Survey Summary

This is a summary of results and conclusions that can be drawn from this Survey of Users.

RESPONDENT BACKGROUND

Q1 – Q6 -- Traditionally there are four groups that have the greatest input into the adoption of regulatory ordinances: The Architects, General Contractors, Home Builders and Developer. The distribution of the 171 respondents in general reflects the relative degree of concern that each group has about the regulatory system.

The responses were screened to exclude more than one response from the same email address AND to exclude more than one response from a single IP address (computer/server).
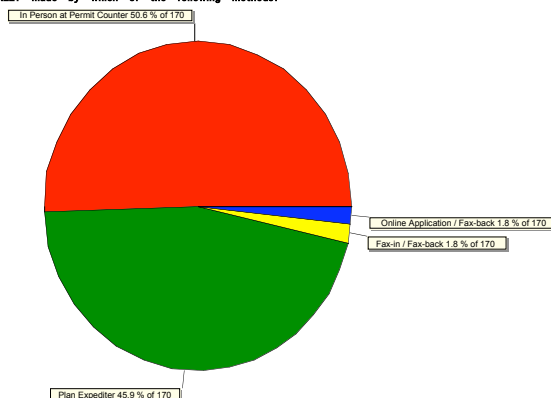

Please indicate the category of your job/company:
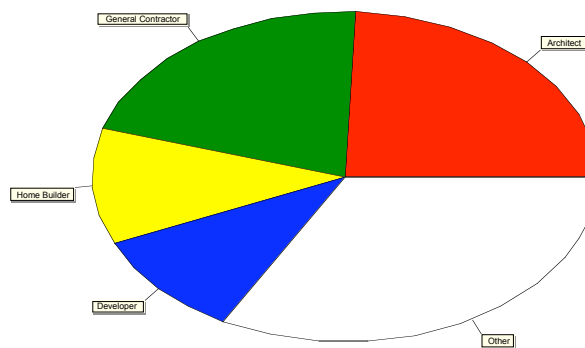
SUMMARY OF RESULTS & CONCLUSIONS

Q7 – The majority of respondents make application for permits in person. The vast majority of the remaining respondents have a Plan Expediter make application for them.
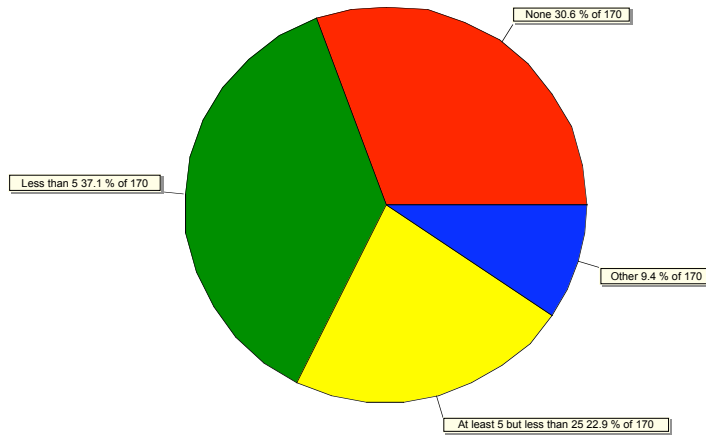

Your applications are NORMALLY made by which of the following methods?
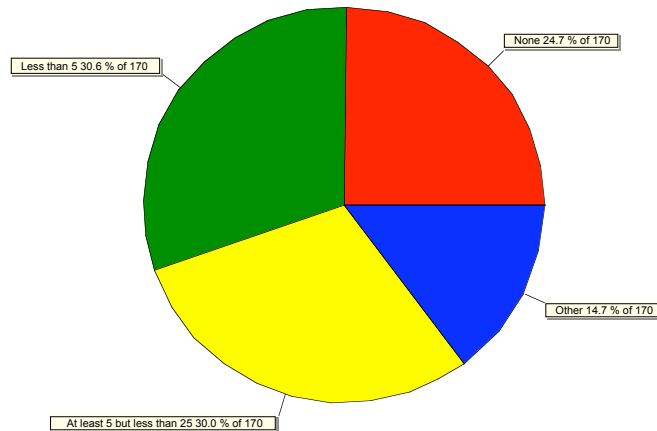
Q8 -- Q12--The vast majority of the respondents submitted fewer than 25 plans in a year. These submittals were concentrated in Plan Express Review and Full Commercial Plan Review. The group that indicated the highest number of submittals per respondent was the Subcontractors, but their permit submittals occur outside of the plan review process. *These responses indicate that the majority of the respondents have first-hand knowledge of the plan review process.*

How many permits (projects) did your company have in 2003 that went through
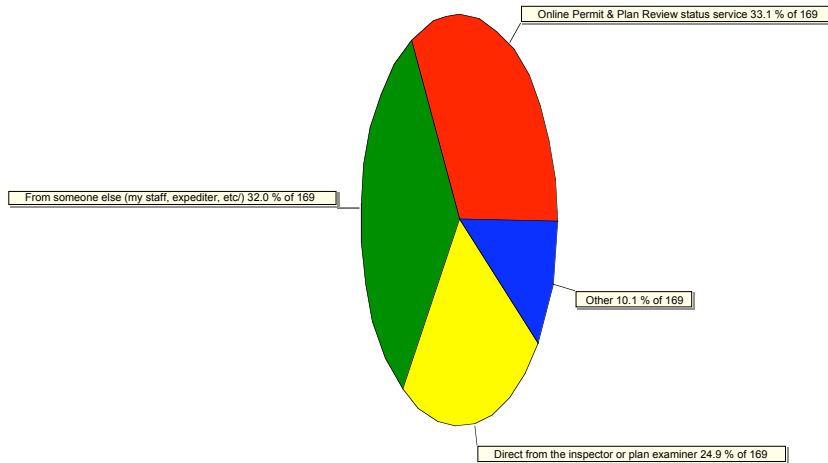**PLAN EXPRESS REVIEW?**

None 30.6 % of 170

Less than 5 37.1 % of 170

Other 9.4 % of 170

At least 5 but less than 25 22.9 % of 170

How many permits (projects) did your company have in 2003 that went through
FULL COMMERCIAL PLAN REVIEW?

None 24.7 % of 170

Less than 5 30.6 % of 170

Other 14.7 % of 170

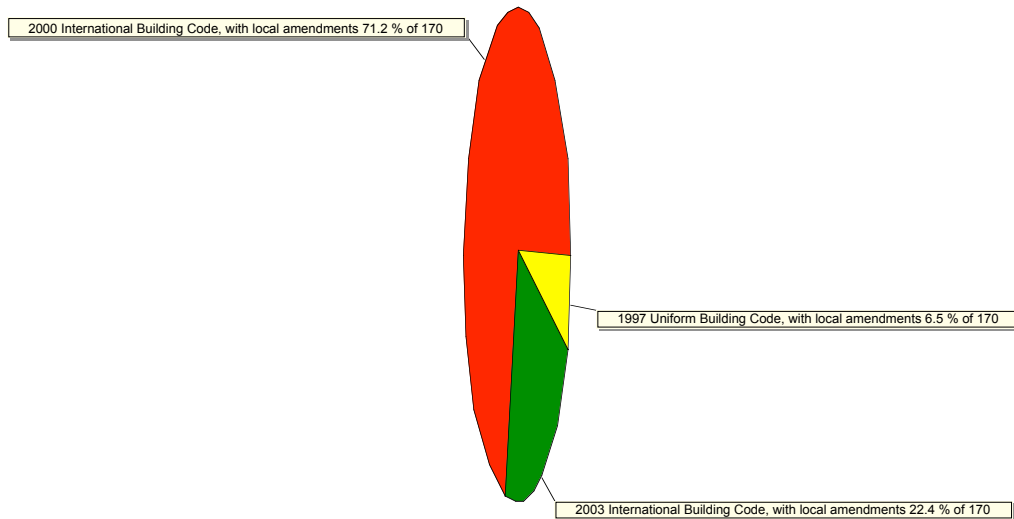At least 5 but less than 25 30.0 % of 170

Q13 – Over 1/2 of the respondents get their permit status information directly from the City, with 1/3 of the respondents relying on the online permit status. The information disseminated by the City is, most often, not filtered by a third party. The majority of the respondent's survey answers are the result of first-hand experience.

How do you NORMALLY get information related to plan review or inspection status?

Online Permit & Plan Review status service 33.1 % of 169

From someone else (my staff, expediter, etc/) 32.0 % of 169

Other 10.1 % of 169

Direct from the inspector or plan examiner 24.9 % of 169

Q14 – Q15 -- Approximately 29% of respondents (including 10% of the "designers" - Architects, Engineers, Interior Designers and Building Designers) did not know which code the City of Houston was currently using. *An information/education outreach program is needed to increase the Users basic awareness of regulatory functions and issues.*

What building code does the City of Houston enforce?

2000 International Building Code, with local amendments 71.2 % of 170

1997 Uniform Building Code, with local amendments 6.5 % of 170

2003 International Building Code, with local amendments 22.4 % of 170

Q16 -- Similarly, 35% of the respondents, including "designers," admitted that they did NOT stay current on City code criteria and felt that a preliminary design meeting with City would be helpful. *This indicates a need for the construction community to better prepare itself for the regulatory review process, and presents an training/outreach opportunity for the City.*

Do you submit design plans often enough to stay informed on the changes in the code criteria so that preliminary design meetings are not necessary for you to design your plans properly and attach the necessary support documents?

Yes 45.6 % of 171

Not responsible for design 29.2 % of 171

No 25.1 % of 171
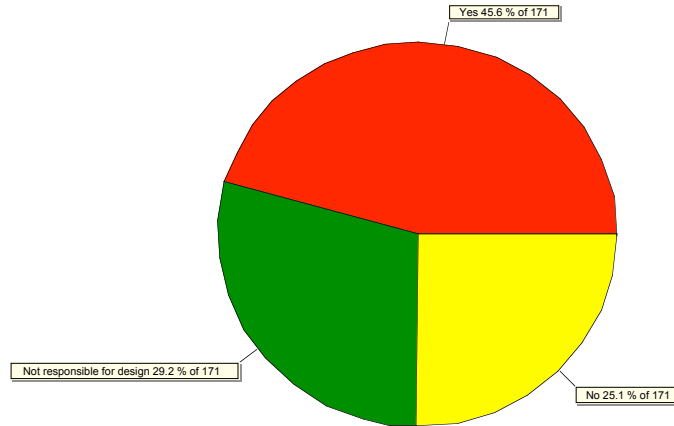
Q17 -- A full 50% of respondents responsible for design did NOT know that the City could assist in "phasing" a project, in order to get it started, while the remainder of the project was still being designed. T*his stresses the need for an educational outreach program.*

Are you aware that Code Enforcement can assist you in phasing of the construction of a project to help you get a project started while other parts of the project are being designed?

No 43.5 % of 170

Yes, but do not use 12.9 % of 170

Yes 30.6 % of 170

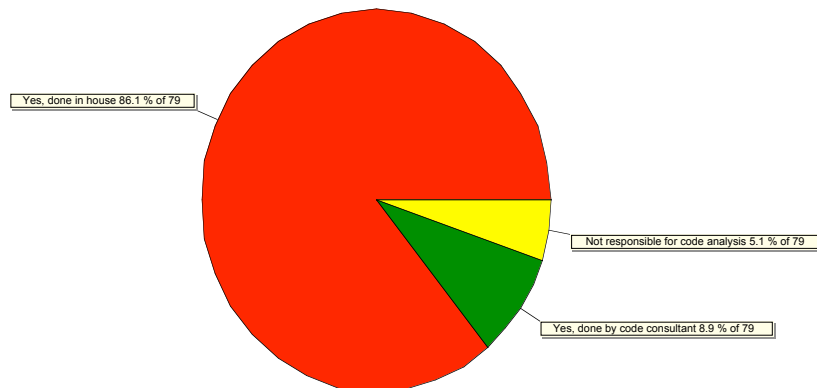Not responsible for design 12.9 % of 170
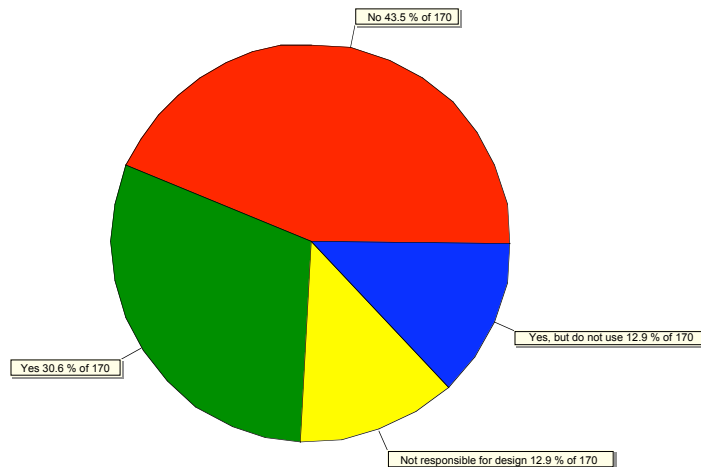
Q18 – Q20 -- The majority of respondents felt that they adequately researched flood, deed restriction and code issues and provided that information as a part of their submittal for plan review.

Do you research local deed restrictions for the project site before proceeding with the design?

Yes 83.5 % of 79

Other 16.5 % of 79
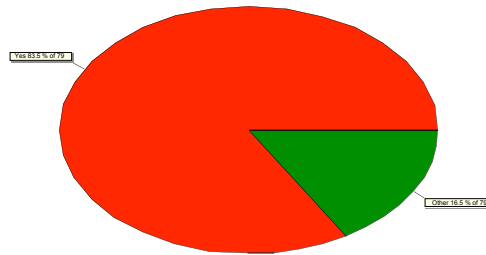
Q21 – Q24 – The majority of respondents (that were responsible for design) indicated that they have code reviews performed on their plans before submitting them, that they include a code summary in their plans and that they include a response letter with their plans when submitting corrected plans. *The City should pre-review all submittals to insure that the necessary code information is included.*

Do you perform a code analysis for your project to determine occupancy classifications, fire ratings, occupant loads, exit width requirements, etc. to insure your project is properly designed before submitting for code review?

Yes, done in house 86.1 % of 79

Not responsible for code analysis 5.1 % of 79

Yes, done by code consultant 8.9 % of 79

Q24 -- Of those respondents that submit plans, 65% actually try to review the plans with a plan examiner prior to submitting them. However, in **Q25 – Q26** over half of those responding indicated that they "never" or "occasionally" got the review or interpretation they were seeking. *This indicates that the City needs to encourage productive preliminary design meetings (both internally and externally) as a method to reduce the number of submittal/rejection cycles.*
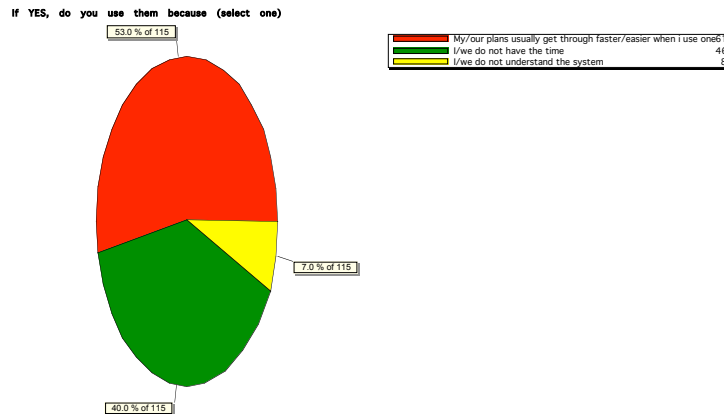
If YES to the above, rate the following statement: I received the review/interpretation needed.

Occasionally 46.2 % of 91

All the time 4.4 % of 91

Never 12.1 % of 91

Often 37.4 % of 91
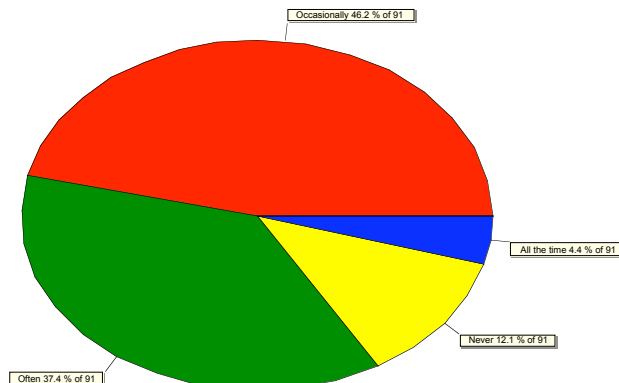
Q27 – Q28 -- None of the Subcontractors use Plan Expediters, while 43% of the Home Builder/Remodelers use them. Over 82% of "Architects, General Contractors & Developers" use Plan Expediters to handle their plan submittals. These statistics indicate that Plan Expediters handle the majority of "new" projects that require plans, including both new construction and build-outs. Over _ of the respondents indicated that their plans usually got through the City "faster/easier" when they used a Plan Expediter. Another 40% indicated that they used Plan Expediters because they did not have the time to deal with the process themselves. *The relationship between the City and the vast majority of its repeat users is, then, filtered through the City's relationship with the Plan Expediters. The Plan Expediters hold, therefore, a significant position, even though their physical numbers are small. Having specific programs that reach out to and educate Plan Expediters in the needs and processes of the City could result in reducing the number of rejections and the number of recycles, thereby benefiting all concerned.*

If YES, do you use them because (select one)

My/our plans usually get through faster/easier when I use one	61
I/we do not have the time	46
I/we do not understand the system	8

53.0 % of 115
7.0 % of 115
40.0 % of 115

Q29 -- The following charts show the perceptions of persons submitting new commercial building plans regarding the AVERAGE number of days it takes to review plans and issue permits through Plan Express and Commercial Plan Review. *Their perceptions seem to be at odds with the statistics produced by the City. This demonstrates a need for a higher level of communication and transparency between the City and its users. The City does not publish statistical reports detailing "application to issuance" timelines for any of its categories of service. The City needs to provide accurate information to the development community to prevent unrealistic expectations, which are often at the heart of a complaint about the service being provided.*

On average, over the past year, how many days do you think it has taken between making the application and being issued the permit for a
- New Building through Plan Express
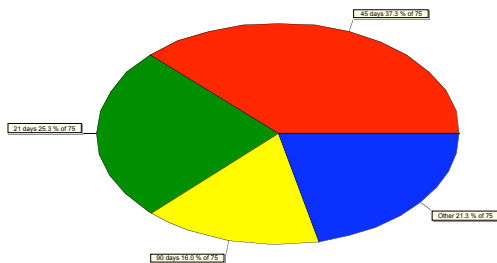
45 days 37.3 % of 75
21 days 25.3 % of 75
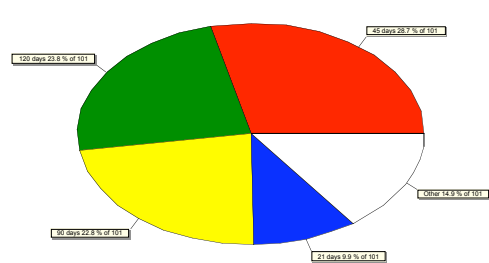Other 21.3 % of 75
90 days 16.0 % of 75

On average, over the past year, how many days do you think it has taken between making the application and being issued the permit for a
- New building through Commercial Plan Review

45 days 28.7 % of 101
120 days 23.8 % of 101
Other 14.9 % of 101
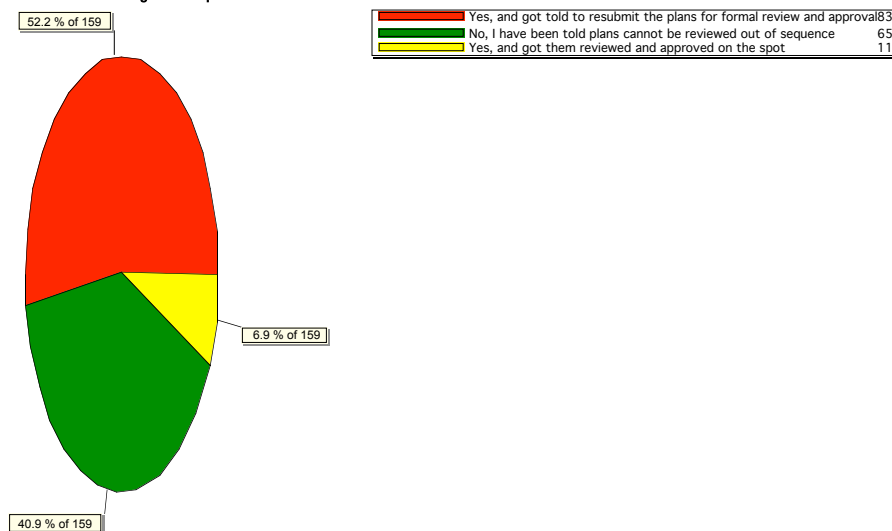90 days 22.8 % of 101
21 days 9.9 % of 101

Q30 -- The overwhelming number of respondents indicated that their plans were 90% or 100% complete at the time of submittal for plan review. City plan review staff, however, indicated that at least one important document or site development approval is missing from the vast majority of plans being submitted. These include such documents as: water and wastewater letters; Impact Fee receipts; copies of Plats and Surveys; detention calculations, energy code analysis, etc.   *The City should provide complete checklists, focused by class of plan review, to help the Users know what it takes to have plans that are capable of being approved on the first submittal. The City should also institute a "triage" process where each submittal would be quickly reviewed for completeness (NOT code compliance). Such a system would reduce the number of submittal/rejection cycles, which would, in turn, reduce the number of plans in the plan review system at any one point in time.*

When you FIRST submit plans, how complete are the plans and required documentation?

100% complete 74.2 % of 155

Other 3.9 % of 155

90% complete 21.9 % of 155
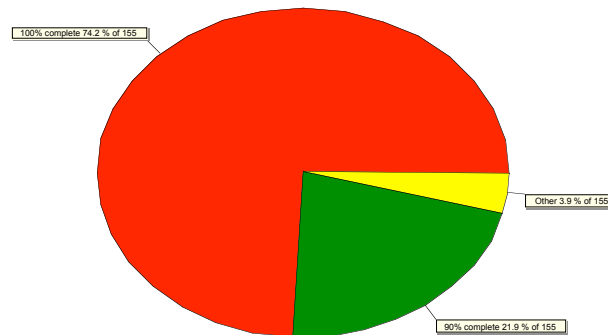
Q31 -- Survey respondents indicated that they were able to sit down with a plan examiner, and get their plans reviewed, less than 7% of the time. *This is one of the consistent appeals of the development community…that they be allowed to meet with the plan examiner and review specific comments and, for simple issues, be allowed to "red line" the plans and have them approved.*
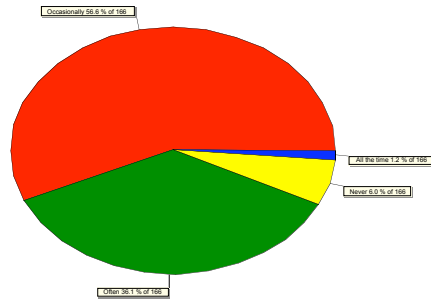
Have you attempted to get your responses to a Plan Examiner's review comments approved without resubmitting the plans?

52.2 % of 159

| | Yes, and got told to resubmit the plans for formal review and approval | 83 |
| | No, I have been told plans cannot be reviewed out of sequence | 65 |
| | Yes, and got them reviewed and approved on the spot | 11 |

6.9 % of 159

40.9 % of 159

Development & Construction Regulatory Process
SURVEY SUMMARY

Q32 – Q33 -- 62% of respondents were "Occasionally" or "Never" satisfied with the clarity of plan examiner's comments. 54% of respondents were "Occasionally" or "Never" satisfied with the clarity of inspector's comments. *The City should strive for clarity and consistency in its rejection comments.*
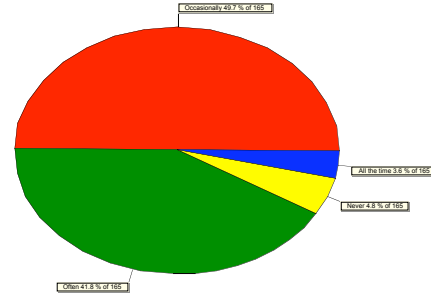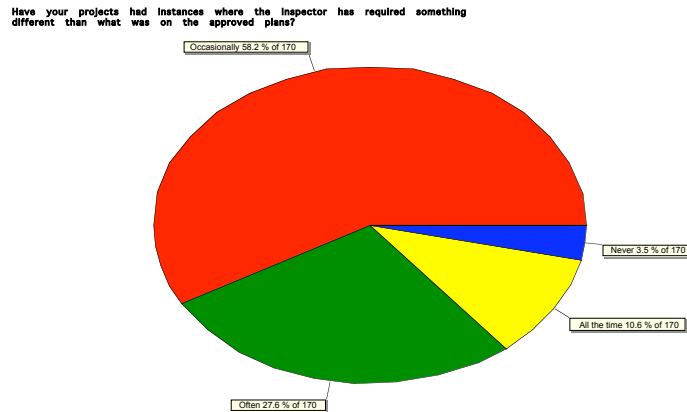

Q34 -- 83% to 87% of the respondents felt the staff (Application Counter, Plan Review and Inspection) was knowledgeable. *Given the level of frustration contained in the survey comments, coupled with similar levels expressed at the Workshops and Forum, it is comforting to know that the Users do have respect for the technical abilities of the staff.*
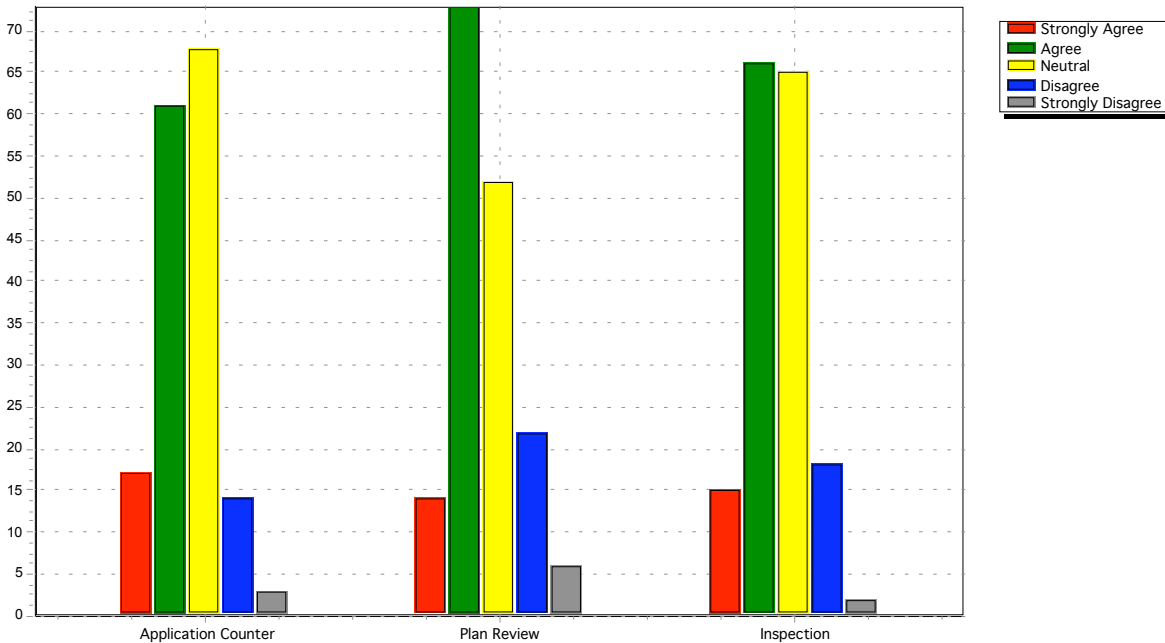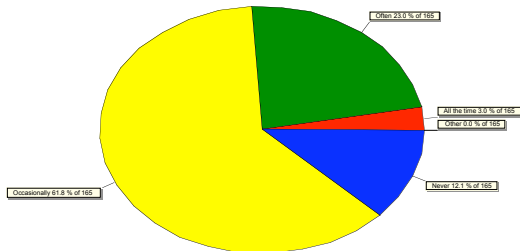
Development & Construction Regulatory Process
SURVEY SUMMARY

Q35 -- Over 96% of respondents indicated that, during construction, the inspector had required something different than the plan examiner had approved, with 38% saying it happened "Often" or "All the time." *The City needs to do education within its own ranks to promote consistency. It also needs to educate the Users on the variety of reasons a change may actually be necessary in the field.*

Have your projects had instances where the inspector has required something different than what was on the approved plans?

- Occasionally 58.2 % of 170
- Never 3.5 % of 170
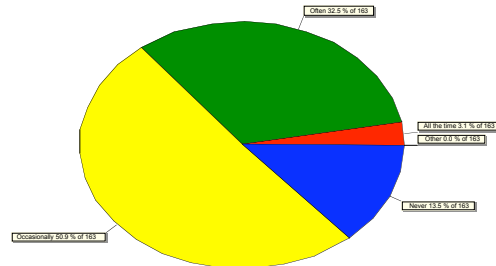- All the time 10.6 % of 170
- Often 27.6 % of 170

Q36 – Q37 - Only 3% of respondents felt that plan review and inspection staff returned calls quickly "All the time," while 12% felt they "Never" returned calls quickly. *No one can please everyone all of the time, but this imbalance in perceptions indicates that the City could do better at communicating in a timely manner.*

When trying to contact a Plan Review Staff person, was this person available/returned calls quickly?

- Often 23.0 % of 165
- All the time 3.0 % of 165
- Other 0.0 % of 165
- Occasionally 61.8 % of 165
- Never 12.1 % of 165

When trying to contact a Inspection Staff person, was this person available/returned calls quickly?

- Often 32.5 % of 163
- All the time 3.1 % of 163
- Other 0.0 % of 163
- Occasionally 50.9 % of 163
- Never 13.5 % of 163

Q38 -- It is not surprising, then, that 90% of the respondents felt that a checklist, detailing all of the requirements, would be helpful. **Q39** -- It should be noted that 58% of the respondents felt the City should perform an immediate preliminary review on plans being submitted and refuse to accept plans that did not have complete documentation or that were incomplete in some way.

Plan Reviews need to have complete documentation. Would a checklist of all of the requirements, other than the adopted codes, be helpful?

- Yes 88.3 % of 171
- Other 11.7 % of 171
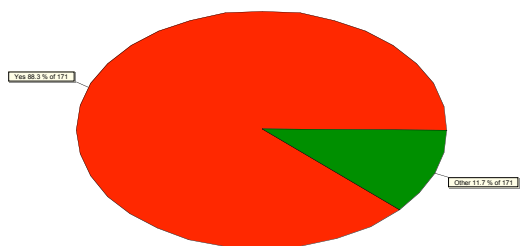
Would you like for the City to perform an immediate preliminary review and refuse to accept plans that did not have complete documentation (or that were incomplete in some way)?

- Yes 57.9 % of 171
- Other 42.1 % of 171
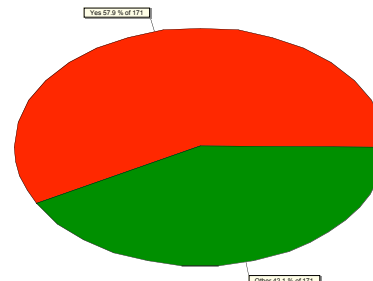
Q40 -- The following charts show the perceived level of difficulty is with a particular process. Comparatively speaking, Getting Support Documents is the most difficult area. It is followed by Getting Plans Reviewed, with less than half as many finding the process to be Very Hard. Making Application and Getting Jobs Inspected are perceived to be reasonably easy. Note that the Support Docume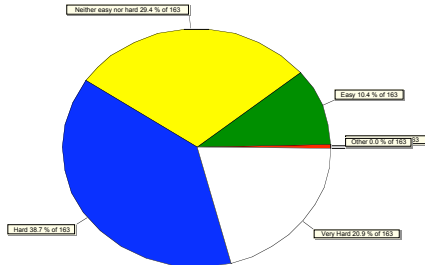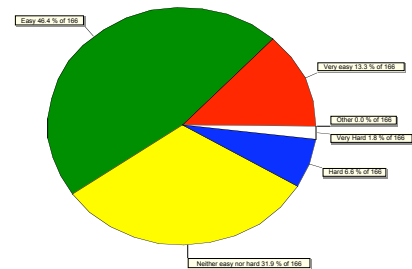nt functions are NOT a part of Building Inspection, but are controlled by some other outside entity (Public Works for Water, Wastewater, Storm and Joint Referral; Harris County for Flood and Detention; Planning for Plats; etc.). *The focus of the Task Force, and thus this survey, was on Building Inspection and getting permits issued, but the simple fact is that plans are not approved (and permits not issued) because critical documentation or information has not been provided to the reviewers. This supports the need for a checklist and for a pre-review of submitted plans to be sure all supporting documents are included.*
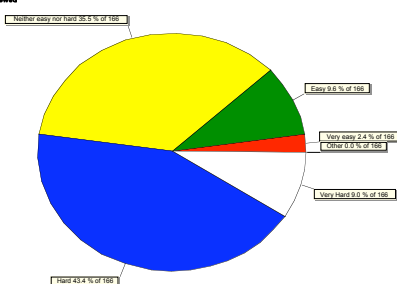
Thinking of your projects over the past year, how difficult have you found the following processes - Obtaining Support Documents (water, wastewater, storm, Harris County flood, deed restriction, plats, etc.)?

- Neither easy nor hard 29.4 % of 163
- Easy 10.4 % of 163
- Other 0.0 % of 163
- Hard 38.7 % of 163
- Very Hard 20.9 % of 163

Thinking of your projects over the past year, how difficult have you found the following processes - Making Application

- Easy 46.4 % of 166
- Very easy 13.3 % of 166
- Other 0.0 % of 166
- Very Hard 1.8 % of 166
- Hard 6.6 % of 166
- Neither easy nor hard 31.9 % of 166

Thinking of your projects over the past year, how difficult have you found the following processes - Getting Plans Reviewed

- Neither easy nor hard 35.5 % of 166
- Easy 9.6 % of 166
- Very easy 2.4 % of 166
- Other 0.0 % of 166
- Very Hard 9.0 % of 166
- Hard 43.4 % of 166

Thinking of your projects over the past year, how difficult have you found the following processes - Getting Projects Inspected

- Easy 34.6 % of 162
- Very easy 10.5 % of 162
- Other 0.0 % of 162
- Very Hard 1.9 % of 162
- Hard 10.5 % of 162
- Neither easy nor hard 42.6 % of 162
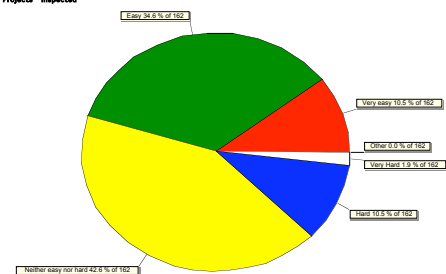
Q41 -- When asked to compare Houston's plan review process to other MAJOR cities 41% of the respondents felt it was "Hard or "Very Hard," while only 11% felt is was "Easy" (and none felt it was "Very Easy"). These perceptions are not borne out in reality. When one talks to officials from other cities, the complexity and length of time to get through their approval processes seems to be extreme when compared to Houston's process.

When comparing Houston to other MAJOR cities, is Houston's plan review process

- Neither easy nor hard 47.7 % of 149
- Easy 11.4 % of 149
- Other 0.0 % of 149
- Very Hard 9.4 % of 149
- Hard 31.5 % of 149
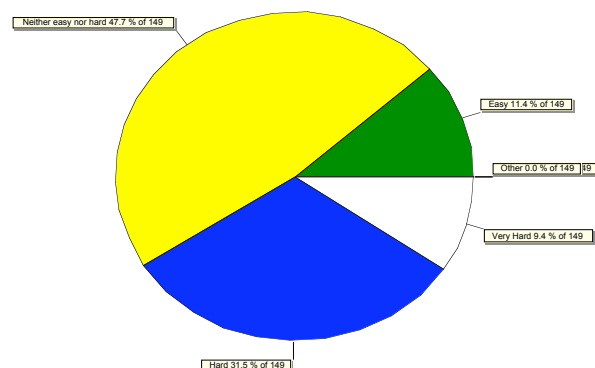
Q42 -- When asked which alternative respondents would prefer to the current plan review process, having Third Party plan reviews wins with slightly 41%, followed by increasing fees for better service at 30% and allowing Pay for Priority at 23%. Doing nothing ranked last at 6%. Clearly, the City needs to investigate an alternative to the current plan review process. NOTE, however, that fixing the plan review process by itself will NOT cure the problem. The issues surrounding the Support Document (Site Development) process must also be addressed.
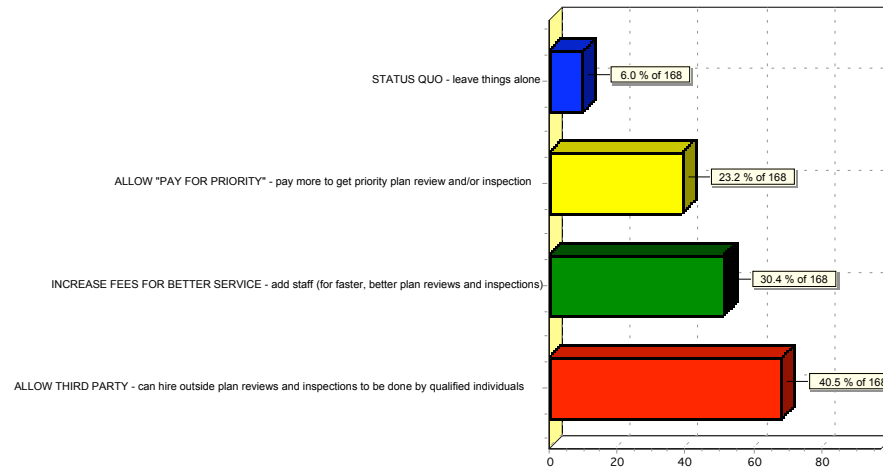
The City has a mandate to protect the Health, Safety and General Welfare of its citizens.
The City also has limited financial and personnel resources.
Which of the following would you prefer to see happen:

STATUS QUO - leave things alone — 6.0 % of 168

ALLOW "PAY FOR PRIORITY" - pay more to get priority plan review and/or inspection — 23.2 % of 168

INCREASE FEES FOR BETTER SERVICE - add staff (for faster, better plan reviews and inspections) — 30.4 % of 168

ALLOW THIRD PARTY - can hire outside plan reviews and inspections to be done by qualified individuals — 40.5 % of 168

0   20   40   60   80

Q43 -- The questions on the relative difficulty of specific processes yielded similar results as the question on the perceived level of overall difficulty. The following chart reflects the relative degree of difficulty of each broad group contained in the series of questions. Again, "site development" information and approvals (Pre-Appln Docs) are the most problematical area. *Site development information is often the responsibility of the developer. While the designers feel their plans are 100% complete, there are often other documents that are not available at the time the plans are submitted. The lack of these documents contributes to the number of submittal/rejection cycles.*

Percent Responding that a process was
HARD OR VERY HARD

Inspection
24.21%

Pre-Appln Docs
49.12%

Plan Review
37.82%
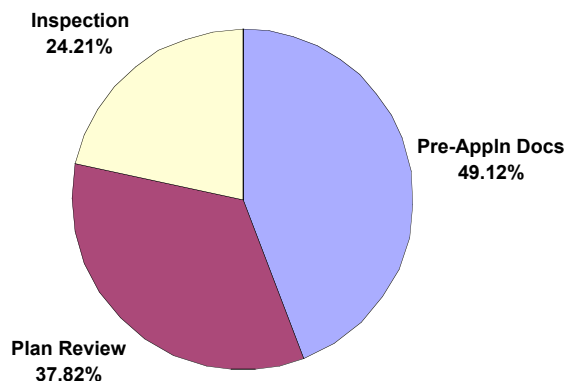
Q44 -- The questions relating to the courteousness of the staff in various sections yielded mixed results. The following chart reflects the degree of courtesy perceived by respondents throughout the regulatory process. *While the level courtesy is not "bad," the City should work on changing the "Occasionally" responses to "Often" responses.*

How Courteous is the Staff in the Regulatory Process?
Aggregate of Responses

Never
8.61%

All Time
7.79%

Often
37.39%

Occasionally
46.22%
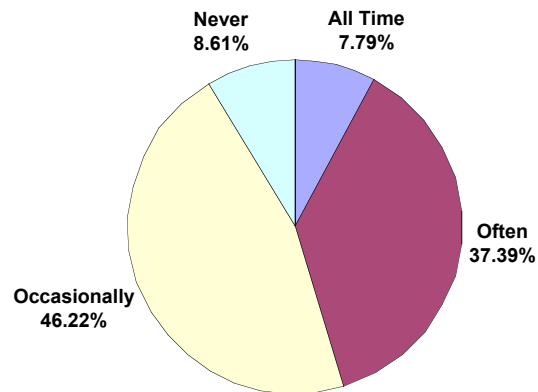
Appendix B

AIA Survey Summary

AIA Houston
Plan Checking Survey Summary
February 25, 2004

The survey was developed in concert with AIA Houston and the Department of Planning and Development and was reviewed for clarity by Dr. Stephen Klineberg, Sociology Department, Rice University. The survey was sent electronically to AIA Houston Chapter members as well as some engineers with the direction that the person who actually oversees the obtaining of a building permit complete the form based on his/her most recent experience in permitting. Sixty-six surveys were returned. The responses were tabulated by Dr. David Ramsey of Bright Idea Computing. Summary of the results:

- *Presubmittal*. Most of the respondents did not review their design drawings with a Plan Checker prior to completing their working drawings. Those who did were able to get interpretations of the code, and these interpretations were upheld during the actual plan review.
- *Plan Expediters*. Most hire Plan Expediters. Those who take plans through themselves find the process time consuming.
- *Plan Express*. Most of the respondents used the Commercial Plan Review process and did not submit their project through Plan Express.
- *Length of Time*. The entire process for the majority of the respondents was over 3 months. Most projects had 2 or 3 different submissions. The Plan Checker took between 2 and 3 weeks for each of their reviews. The majority of the respondents took 1 week to respond to the comments. Most people advise their clients to allow 2 months for the process.
- *Client Involvement*. Most people shared the Plan Checker's rejection comments with their clients.
- *Comment Response Letter*. Nearly all respondents include a comment response letter with their resubmission.
- *Document Completion*. The majority of the respondents submitted complete documents for the first review. Those who did not found that the rejection comments did not pertain to the missing information.
- *"Walk throughs"*. Most were not able to "walk through" small items, thus eliminating a submission.
- *Comments*. Most said the Plan Checker comments were clear and specific; however, they also said that many of the comments were regarding items that were in the drawings, but that the Plan Checker overlooked them. The majority said that the second and third submission comments will often contain new items unrelated to the earlier comments and will be from entirely different code sections.
- *Code Knowledge*. Most feel that the Plan Checkers have a good understanding of the code. Most have code books in their offices and are familiar with them.
- *Hotline*. Most used the automatic hot line to obtain the status of plans being reviewed and found it helpful.
- *Availability*. Most did contact their Plan Checker by telephone and through meetings to explain comments. Calls were returned quickly and answers were obtained.
- *Inspections*. Most have had Field Inspectors overturn decisions made from Plan Checkers resulting in costly revisions.
- *Check List*. Most would find a check list of items required by the City helpful along with a training session that explained the different processes.
- *Satisfaction Level*. Most are dissatisfied with the plan review process.

Appendix C

Service Provider Workshop Summary

Permit Service Provider Workshop – March 23, 2004

A permit service provider workshop was held on March 23, 2004. This workshop gave the Mayor's Building Permit Task Force an opportunity to make a presentation on the building permit process to employee representatives of the various departments involved in the building permit, plan review and inspection process and also to solicit their input and active participation in improving the process.

A. **Plan Review Comments**
   - Increase the number of plan examiners.
   - Separate the review of new single-family residences out of the Residential One-Stop section.
   - Provide a preliminary review of plans to determine that all required submittal documents are included in the plan submittal before reviewing the plans for code compliance.
   - Develop control measures for non-professional plan designers.

B. **Inspection Comments**
   - Increase the number of building inspectors.
   - Decrease the size of inspection zones that inspectors are responsible for.
   - Increase the permit fee to reflect the actual cost of an inspector making 3 trips on average to a job site for inspections required on one permit.
   - Add an explanation on the permit card for the 24-hour inspection process.
   - Contractors need to check their work to verify that it is ready to be inspected before calling for an inspection, which may result in a re-inspection fee if it is not ready.
   - Provide a reasonable incentive pay package to encourage more inspectors to be multi-discipline or "Four Hat" inspectors able to make all inspections on a residence rather than just a single trade.
   - Provide a more severe penalty for starting work without an approved permit. Doubling the permit fee is not a hindrance.

C. **General Comment**
   - Provide a "front person" or "greeter" at the front door for explanation of various services and processes.
   - Provide more educational materials to the users of the process.
   - Increase training opportunities within the department.
   - Provide better incentives for hard work and accomplishments rather than "across the board" compensation.
   - Provide a map for all departments.
   - Observe customers and assist those who appear to be lost or confused.
   - Provide step-by-step educational materials.
   - Improve employee moral.
   - Modernize office equipment.
   - Provide foreign language classes.

D. General responses to question by the Mayor
- Plan examiners and inspectors are over worked due to the backlog.
- Inspectors are making 20 inspections per day.
- An inspector must send the contractor to obtain a revised plan approval if the construction design is changed in the field in conflict with the approved plan design.
- Differences in code interpretation may occur if another inspector inspects work in the zone of another inspector who may be off work that day.
- Inspectors normally call the plan examiners who approved a plan if the inspector does not understand how a design is in compliance with the code.
- Not all plans are submitted in the completed stage for the first review for code compliance, which results in multiple plan submittals and wasted time reviewing incomplete plans that cannot be approved.
- Front line clerical employees spend a great deal of time explaining plan review and inspection process to first time users in the permit process.
- A plan examiner explained why it is easier to obtain a permit in the County than it is in the City because the City has a building code to enforce and the County does not.

Appendix D

Service User Workshop Summary

Lack of Knowledge

- Educational tools for the user to navigate the system are needed: training workshops, checklists, orientation for the first time user, instructions on website, email subscriptions, etc.
- The rejection routing slip could be simplified by eliminating old comments that have been answered correctly.
- The IBC is a complex code, and the amount of City Ammendments seems excessive. Seminars and training for the user on how to interpret the code would be helpful.
- The user needs plenty of advanced warning when new codes and standards are adopted.
- A plan review meeting after the first rejection would be helpful to understand the rejection comments.

Culture of Positive Attitudes

- The provider management should be able to remove poor performers without repercussions.
- Expectations of employees should be established.
- The best employees should have a system in place where they can cross-train others to match their productivity.
- Allow plan reviewers to specialize in certain building types so that comments can be consistent from one project to the other and possibly speed up the review process.
- Review the working hours of each department to ensure that there is always someone available.
- There should be an avenue for customer feedback.

Information Communication Channels

- Having the same plan examiner on subsequent submissions is helpful to prevent new rejection comments from appearing.
- There is confusion at One Stop on when they can and cannot take checks.
- The Joint Referral system is a major bottleneck in development. Many developers will not purchase land until they get a building permit. The system requires land assembly, easement acquisition and clear title before proceeding.
- The legal issues involved in such things as obtaining tax incentives for affordable housing are complex and do not fit in the current order of process.

Provider Staffing

- There is a general understanding that the different departments are understaffed and that finding new qualified employees is a difficult task. The pay scale is low and cannot be raised without affecting other City departments.
- Third Pary Reviews should be considered to alleviate the staffing shortage.
- Self-certification should be considered for the same reason. The engineer of record should be allowed to make field inspections.
- The review of prototypes should be streamlined.
- Inspections for remodel projects should be examined for possible combinations, such as windstorm, energy and framing.

Appendix E

Public Forum Summary

SUMMARY OF FINDINGS
Task Force on Reform of Building Permits
PUBLIC FORUM - APRIL 8, 2004

BY RECOMMENDATION CATEGORY

EDUCATION – USERS
1. Training to understand the Users point of view

EDUCATION – PROVIDERS
1. Training to understand the Providers point of view

CULTURE OF POSITIVE ATTITUDES - PROVIDERS
1. Develop a cooperative approach
2. Coach staff to use common sense

INFORMATION COMMUNICATION CHANNELS - PROVIDERS
1. Overhaul the website(s)
    a. Update them more frequently
    b. Provide ALL necessary forms, applications and information online
        i. in one location
        ii. in commonly used formats
        iii. make paper & online docs MATCH
    c. Provide detailed water & wastewater service unit calculation information
    d. Provide a searchable contact index with name, email, department and area of responsibility or expertise
2. Improve access via telephone (answer phones, return calls)
3. Make ALL review staff be available for preliminary reviews
4. Allow the plan examiner to meet with the design professionals both at the time of rejection and when submitting the corrections.
5. Allow the plan examiner to meet with the design

INFORMATION COMMUNICATION CHANNELS – USERS
1. Fill out comment cards on every project

STAFFING AND ORGANIZATION - PROVIDERS
1. Charge an up-front plan review fee to reduce wasted time on projects never built
2. Do pre-submittal reviews on all projects
3. Reorganize Joint Referral to shrink time line
4. Reorganize the Water & Wastewater capacity reservation process
    a. Clearer, simpler applications
    b. Letters in less than a month
    c. Letter revisions in less than a week
5. Reorganize the platting process
    a. Shorter time frames
    b. More consistency
    c. Remove historical restrictions

Hal Caton   April 14, 2004

SUMMARY OF FINDINGS
Task Force on Reform of Building Permits
PUBLIC FORUM - APRIL 8, 2004

6. Provide process & requirements knowledgeable person at the Building Inspection counter
7. Raise professionalism of staff by hiring architects and engineers
8. Increase staffing levels so plan reviews do not have to wait until people that are sick or on vacation return
9. Begin to review the specifications so the design professionals do not have to duplicate the information in them elsewhere on the plans
10. Provide a standard checklist and require that it be turned in with the plans for review.
11. Reduce the number of recycles/re-submittals by doing a complete plan review the first time
12. Allow rack shop drawings to be a deferred submittal
13. Do not allow any section to close for meetings during posted business hours

STAFFING AND ORGANIZATION - USERS
1. Allow designer to submit affidavit of code compliance and skip plan review
2. Allow users to pay additional fees to expedite reviews
3. Get rid of the deadwood

INSPECTION SERVICES
1. Allow 3rd party inspections
2. Call contractor 1 hour prior to actually doing the requested inspection, so the contractor does not have to sit around all day.
3. Create a "Frame & Rough" permit to allow construction to start before the actual building permit is issued.

SUMMARY OF FINDINGS
Task Force on Reform of Building Permits
PUBLIC FORUM - APRIL 8, 2004

BY PROJECT SEQUENCE

PRE-APPLICATION
- Overall Development Orientation
    - Staff needs to have a sense of urgency
    - Staff needs to have a sense of cooperation
    - Pre-submittal review is good idea
- Joint referral
    - Way too long
- Web site(s)
    - Update more frequently
    - Searchable phone directory
        - By name
        - By function
    - Put ALL of the application forms online
        - in the SAME PLACE
        - in the SAME FORMAT
            - make engineering docs .DWG files
            - make fill-in docs .DOC files
            - make info docs .PDF files
        - allow more applications online
            - Make paper & online applications match
    - put HOW to calculate W&WW service units and fees on web site
- PW&E - Engineering
    - Improve communication between designer and plan examiner
        - Not available for phone calls
        - Do not return calls
    - Meet w/ eng on plan & profiles
    - Do not change decision after review process on Plan & Profiles
- PW&E – W & WW
    - Eliminate the need for letters
    - Is a mess – fix it
    - issue letter of availability in less than a month
    - issue letter of availability revisions in less than a week
    - put HOW to calculate service units and fees on web site
- Planning
    - Platting process:
    - More Consistency
    - Historical restrictions – remove
- Building Inspection
    - Have someone knowledgeable standing at the application counter
    - Make paper applications match online applications

SUMMARY OF FINDINGS
Task Force on Reform of Building Permits
PUBLIC FORUM - APRIL 8, 2004

REVIEW

- Plan Review – General
  - o Self-Certification
    - ▪ Allow designer to submit affidavit of code compliance & skip plan review
  - o Pay money to cut time
  - o Get rid of deadwood
  - o Have some way to "cover" plan examiners that are sick, on vacation, etc.
  - o Need staff engineer & architect reviewers (for professional reviews)
  - o Use common sense
  - o Include specs in reviews
  - o Provide a checklist (standardized cover sheet?)of what plan examiners are looking for
    - ▪ Turn the checklist in with the plan (one for each discipline!)
    - ▪ Resolve issues between what AE's produce and what City wants
    - ▪ Have space for "not applicable" response on checklist
    - ▪ Make list available in advance (web, handouts)
    - ▪ Include "pet peeves"
  - o Reduce the number of recycles/re-submittals
    - ▪ Do a complete review the FIRST time
      - • ALL departments should be reviewed
        - o Eliminates the surprise at the end of the 2nd review
      - • Be SURE the item being asked for is not already in the set somewhere
      - • Be SURE the rejected item is not covered elsewhere
    - ▪ Do not require RACK shop drawings during plan review
      - • Require as deferred submittal, since they are the last thing to go in
    - ▪ **Charge up-front plan review fee to reduce time wasted on projects never built**
  - o Improve communication between designer and plan examiner
    - ▪ Not available for phone calls
    - ▪ Do not return calls
    - ▪ Will not meet to review comments (unacceptable)
    - ▪ Have meeting after 1st review to discuss comments
- Plan Review - 1-Stop
  - o do not close for meetings
- Plan Review - Development Site Plan Review (Planning)
  - o Current code allows only 50% credit for existing trees, should allow 100%

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SUMMARY OF FINDINGS
Task Force on Reform of Building Permits
PUBLIC FORUM - APRIL 8, 2004

INSPECTION

- Allow 3rd party Inspections
- Call contractor 1 hour prior to actually doing requested inspection
    - Prevents sitting around all day waiting
- Comment cards (post contact survey) are good idea
- Create "frame & rough-in" permit
    - Allows construction to start prior to full permit being issued

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Appendix F

Goals, Objectives, Operational Recommendations

This is a list of goals and objectives in the preliminary stage of
streamlining the permit process.

1. G - Provide the owner/developer knowledge of the status of a plan
review from start to finish indicating action by the City as well as
action from the applicant.
   O - Develop an acknowledgement letter to be mailed to the
owner/developer informing him that an application has been submitted for
the review of their project and that the status of the plan review may be
monitored on the City Plan Review web site. Instruction will be provided.
This letter would be computer generated from a report that detects the
first time submittal of a plan indicated by a "520-IO" entry on the 114
screen.

2. G - Provide the applicant with the same knowledge indicated in the Goal
noted above.
   O - Modify the computer generated plan submittal receipt issued to the
applicant to provide instructions on how to monitor the status of the plan
review on the City Plan Review web site.

3. G - Provide on line plan review status to the
owner/developer/applicant.
   O - Modify the City web site to provide up to date plan review
comments as the plan review progresses.
      Insure that approved comments have been deleted from the Plan
review status web site to eliminate impression that plans have been
rejected again for the same thing.

4. G - Identify projects that are having problems obtaining approval
before it reaches a complaint stage.
   O - Develop a computer generated report that identifies plans that
have been rejected 4 (3?) or more times or have been out of the system for
30 or more calendar days after the last review by the city. This report
would generate a letter to be sent to the owner/develop/applicant noting
the delay of the plan review process and offering assistance by meeting
with the owner/developer/applicant to help resolve whatever delay they may

be encountering.

5. G - Provide a means of fast tracking the review of multiple/complex corrections for a professionally developed project in order to issue the permit.

O - Develop a "Super Plan Express" which would be a "paid" review of corrections (not for first time submittals) "by appointment only" for professionally designed plans only. The intent here is that we would be working with professionally trained, code knowledgeable designers who should be capable of providing all requested information in a professionally prepared manner for the plan examiners to quickly ascertain compliance and approve the project for permit issuance. This process would be in a meeting form requiring the attendance of all professionals having corrections to present for review. If further corrections are determined in the meeting, the attending professionals would be allowed to red line the corrections onto the plans with signature and date without reprinting the corrected drawings. Significant corrections that could not be red lined would require that the designers either correct the drawings and resubmit for review in the standard review process or to pay for a second "Super Express" meeting to repeat the process. The fee for this service would be the same as the standard Plan Express fee, 65% of the building permit fee, with a reasonable maximum to be determined. This meeting would also have to be limited to about one hour.

6. G - Provide a "triage" information counter to determine the most efficient Plan Review process for the applicant to take.

O - Obtain and train permit technician class employees to meet with permit applicants to assist in advising the applicant on the best Plan Review service available for their needs which may be Residential One-Stop, Commercial One-Stop, Plan Express, Commercial Plan Express, "Super Plan Express" (to be developed). Applicants with larger complex plans would be forwarded to a Commercial Plan Review plan examiner who would advise the applicant on the "phasing" of a project based on the speed that the project may need to be constructed under with the phasing allowing for separate permits for site work and underground utilities, foundations, shell buildings, shell building and core, interior buildout. The triage would inform the applicant that preliminary meetings with the designer would be provided if the designer is in doubt of plan review requirements. This triage counter would also offer check lists (to be developed) for the plan review and permit process. The triage information may also be offered on line to explain the various options available to the applicant.

7 . G - Provide check lists to indicate what the applicant needs to provide in the application and plans for the various types of projects

O - Review lists that have been commercially prepared, lists that have been made available by other cities or code review groups, and either adopt existing check lists that meet our needs or develop our own. This may require assistance from the AIA or other groups who may offer time and expertise in development.

8. G - Provide check lists for the plan examiners for various projects to improve consistency on what the plan examiners are reviewing for.

O - Review lists that have been commercially prepared, lists that have been made available by other cities or code review groups, and either adopt existing check lists that meet our needs or develop our own. This may require assistance from the AIA or other groups who may offer time and expertise in development.

9. G - Provide all developed check lists on the city web site for the use of applicants.

O - Same.

10. G - Investigate development of a "Self Certification" program and the results of effectiveness. This is a process in which a professional designer (architect/engineer) is tested and certified on code knowledge to allow their plans to be approved for permit without the need for code review. The self certified professional must also oversee the construction

of the project to insure construction proceeds as per the approved plans. New York is allowing this for all types of projects but does not have an adequate quality control system in place for the process. An investigation was made and a 40% failure rate was detected but most of the failures was attributed to one designer. The City of Houston does not have a "Self Certification" program but in our One-Stop review process for the construction of new single family residences and other qualified residential and commercial remodel projects, we do not review the plans for compliance with the Electrical, Plumbing or Mechanical codes. Plans that are accepted in the One-Stop program are restricted to projects that the field inspector would have sufficient code knowledge of the requirements without the need for plans. However, we do require that the electrical, plumbing, and mechanical design of these plans be signed and dated by licensed Masters of the trade which is similar to "self certified" plan design. If code deficiencies are detected in the field, the inspector checks for the error in the Master's plan to determine if it is sufficient enough to have revised plans resubmitted for record.

    O - Same

11. G - Provide permit/inspection information guides in brochure form and on line.

    O - Revise existing brochures and update to current information for distribution. Provide same on web site. Provide same at Triage information counter (to be developed).

12. G - Provide a more developed plan review comment letter that is more consistent from one plan examiner/department to the next.

    O - Al plan examiners/departments rejecting a plan are to provide contact information for telephone or meeting assistance. The comments should all be check list related for general requirements followed by plan/project specific rejection/advisement. Departmental rejection comments must be deleted from the report when the plan examiner/department has approved their plan design requirements.

13. G - Assure telephone coverage and contact.

    O - Investigate call paths for all phones and message centers to assure that the phone is answered by the person who is being called or that a centralized telephone receptionist receives the call who will take a message for the person being called. The message will be delivered to the person's supervisor who will have the phone call returned and indicated as being completed on the caller's message, (paper message, not electronic). Check telephone book and on line telephone listings to assure accuracy and possible reduction in any excessive listings that may cause confusion or doubt in numbers to call.

14.. G - Improve the Code Enforcement image and customer service skills.

    O - Increase training for customer service skills from both in house and paid services. Supervisors are to monitor office spaces for reasonable control of clutter to project a more organized and efficient operation. The Inspectors are home based but they meet at least once a week at the 3300 Main Code Enforcement building. Inspection cars and inspectors are to be "reasonably monitored" for professional appearance.

15. G - Monitor feedback for our efforts on improving the processes.

    O - Provide performance questionnaires on the services provided including suggestions for improvement. Attend meetings with construction groups and associations for feed back. Invite various groups involved in the permit process such as Architects, contractors, permit services, non-professionals to meet at 3300 Main at various times of year for feed back on services.

16. G - Provide Code/Ordinance training to the designer.

    O - Interview plan examiners throughout the plan review process to determine areas of the code or ordinances that cause a high plan rejection rate and then investigate the level of desire from local designers who would like to come in and be trained on how to properly design these high rejection rate items of the code or ordinances so that they may avoid plan rejection on future projects. On- site storm drainage systems is an

example of a highly rejected area of plan design which few people in the Houston area understand. Providing training classes on this type of design would probably be well received.

17. G - Eliminate code interpretation disagreements between the plan review staff and the field inspection staff.
    O - Coordinate training efforts so that the office and field staff are being educated on the same interpretation of the code and not being trained by different instructors on the same code item. Field inspectors are not to over rule the interpretation of the plan examiners interpretation at the expense of the builder simply because the inspector has the last call in the field after the plans have gone thru the review process. An approved design is not to be rejected in the field due to a difference in code interpretation until field inspection management has discussed the situation with plan review management to determine the correct interpretation.

18. G - Reduce the review of plans submitted to Commercial Plan Review to 14 days per submittal.
    O - This was the original goal as the purpose of increasing the permit fees to hire seven additional plan examiners, (4 structural, 1 electrical, 1 plumbing, and 1 mechanical). We are in the process of hiring and training these people now. The goal of 14 days is due to the fact that complex commercial plans could require review by any of 13 areas of review being Health (food/drink), Fire Marshal (fire alarm, standpipe), Fire Marshal (haz-mat, high pile), Water/Wastewater, Flood Plain, Traffic and Transportation, Planning (plats/landscape/parking), Electrical, Plumbing, Hvac, Structural, Storm Drainage, and Sprinklers. The design community also seems to be satisfied when the turn around time is 14 days or less.

19. G - Increase level of employee supervision to hold supervisors more accountable for employee actions.
    O - Develop a mid year form of employee performance evaluation so that employee actions are monitored more closely and appropriately noted rather than the current system of waiting until the end of the year and trying to remember how the employee performed over 12 months which is a poor evaluation of the employee's performance. Problems and complaints are to be noted and counseling and or classes are to be provided to improve the employees performance. Patterns of poor behavior/service/judgment are to be noted throughout the year and acted on for improvement and or disciplinary action up to and including indefinite suspension.

This is not a goal but the IT section is currently bringing on a new version of ILMS (computer reporting system) which is being tested phase by phase to improve our services by providing an easier and faster system to use while maintaing or improving the data being reported. This system once fully operational will speed up the time that the plan examiners enter data allowing more time to review plans which allows more plans to be processed than before.

Also, the goals noted above, particularly the notification letters to the owner/developer are an effort to weed out the plans that are submitted into the system over and over again with little or no effort put into the correction of the plans by the designer. Each time a plan of this type is submitted for review it places an extra burden on the time available to a plan examiner who must process and reject the plan again before he can get to the next plan that he may be able to approve for permit. If plans are fully corrected as per the plan examiner's review comments before resubmitting the plans for review, the plan examiner stands a better chance of approving the plan on the second or third submittal rather than the fourth or fifth submittal. Having fewer plans in the system and having to review the same plan fewer times obviously would speed the whole process up considerably due to more efficient use of the plan examiner's time.

There are many more goals to come as we meet with the various other departments representing the review process and meet with the various groups that utilize the process to obtain permits. Those goals are to be

determined at a later date.

Gary Bridges
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Appendix G

Joint Referral Recommendations

JOINT REFERRAL

Background. As part of its review of the City of Houston permitting process, the Mayor's Building Permit Task Force (the "Task Force") also reviewed the City of Houston Joint Referral process ("Joint Referral"). Joint Referral is utilized whenever the City of Houston is requested to sell or release an interest in City property. Joint Referral's impact on land development in Houston is significant, as every release of a street or utility easement where the City has installed utilities or otherwise used or improved the easement must be reviewed and approved by the Joint Referral Committee ("JRC") prior to being submitted to the City Council.

The JRC is composed of representatives from the Legal Department, the Fire Department, the Department of Planning and Development and the various Divisions of the Public Works Department, including the Public Utilities Division which is responsible for water and wastewater issues. The chair of the JRC is Ms. Nancy Collins, Assistant Director, Real Estate Branch, Department of Public Works and Engineering.

The JRC reviews applications for the abandonment and release of street and utility easements in order to determine the impact of the proposed abandonment and release of an easement on existing utilities, fire protection, traffic flow and other matters. The JRC review and approval normally takes between six (6) weeks and eight (8) weeks. From JRC's perspective, Joint Referral ends with the approval, or rejection, of the requested abandonment and release of the easement. From this point forward, the remainder of Joint Referral involves coordinating the approvals and comments of the various divisions of the Department of Public Works and Engineering, including without limitation, the following:

• Review and approval of the metes and bounds descriptions of the easements being abandoned or dedicated.

• Review and approval of the plans related to any new utilities or other improvements required to be constructed.

• Review any required documents related to the transaction.

• Inspect the completed utilities or other improvements required to be constructed.

The Task Force reviewed Joint Referral because of its significant impact on land development projects within the City of Houston. The length and unpredictability of the time taken by Joint Referral. Currently, Joint Referral can take from eight (8) to fifteen (15) months from the time of submission of an application to JRC to the City Council action which abandons the City's interest in the property. Included within this time frame are numerous actions, including certain actions totally within the control of the developer-applicant such as the preparation of surveys, legal descriptions and plans and specifications for any utilities to be relocated and certain actions totally within the control of the City of Houston such as the appraisal process, the approval of the metes and bounds descriptions of the property to be abandoned and/or dedicated, the approval of plans and specifications and the inspection of any utility lines constructed as part of the abandonment of existing utility lines. In addition, the local

electric gas and telephone utilities are also involved in Joint Referral where the property disposition involves the relocation of existing private utility facilities.

General Observations. The Task Force acknowledges that Joint Referral staffing levels have significantly decreased over time. As a result, Joint Referral processing time has increased. The Task Force believes that because of the decreased level of staffing, more reliance should be placed on the developer/applicant to prepare certain documents. In addition, the Task Force believes that a more educated consumer will result in increased efficiency in Joint Referral.

Recommendations. The goal of the Task Force recommendations regarding Joint Referral is to reduce the time for the processing of Joint Referral matters to between six (6) months and eight (8) months by eliminating certain activities and creating efficiencies through implementation of process management functions. The Task Force's recommendations regarding Joint Referral are as follows:

- Change the current method of appointing appraisers and set enforceable timelines for the performance of appraisals.

- Change the method of communication with City Council Members regarding Joint Referral matters.

- Establish a process management function which includes:

  - Clarification of the steps involved in Joint Referral.

  - Improved communications with developer/applicants through the use of e-mails, a single point of acceptance and a weekly submission day.

  - Set performance standards and timelines for the performance of functions within the City Departments and Divisions involved in Joint Referral.

  - Create a tracking system which will be available on the City of Houston website.

  - Developing a coordinated approach to management, oversight and problem solving by establishing the position of Deputy Chief of Staff Economic Development in the Mayor's office which would include these functions along with other economic development and land development matters.

The Appraisal Process. Prior to the transfer or disposition of any interest in City of Houston property, including fee simple ownership or an easement estate, the property must be appraised by qualified appraisers. Under the City Charter, if the value of the parcel to be disposed or released is over $25,000, outside appraisers must be appointed by the City Council. If it is under $25,000, a Real Estate Branch staff appraiser may be used to establish the value of the City's interest.

In order to appoint an appraiser, a Request for Council Action must be prepared and submitted to City Council for approval. The preparation of the Request for Council Action can

take up to four (4) weeks. Once prepared and approved by the Director of the Department of Public Works and Engineering, the Request for Council Action is submitted to City Council for approval and the appointment of appraisers. The District Council Member from the Council District where the property is located selects the appraisers. After the Council Motion is approved, city staff orders the appraisal. Even though the appraiser is given four (4) weeks to complete the appraisal, the completion and internal review of the appraisal can take as much as ten (10) weeks. If there are comments by the City and the appraiser must revise the report, then the process can be drawn out even longer.

The Task Force recommends that the Legal Department review whether the City Council has the authority to delegate the appointment of the appraisers to a staff member or Department head. If the authority can be delegated, the requirement of a Request for Council Action (and corresponding City Council Motion) to appoint an appraiser can be eliminated. The appraiser could be appointed by a staff member or Department head from an approved list of appraisers. Furthermore, there must be prompt action to appoint the appraisers and enforce the deadline for the completion of the appraisal.

Regardless of whether the appointment authority can be delegated or a list of appraisers "appointed" by City Council, the appraiser should be appointed promptly and a four (4) week deadline for the completion of the appraisal enforced. The Real Estate Branch should enforce the deadlines and maintain a list of those appraisers who consistently fail to meet the deadlines. In addition, sanctions, such as removal from the list of approved appraisers can be implemented.

While the City Charter allows the use of a Real Estate Branch staff appraisal for parcels valued at under $25,000, understaffing of the appraisal function has affected the time frames for the completion of staff appraisals.   For this reason, the Task Force recommends that one outside appraiser be appointed for all appraisals where the value of the property is under $25,000. In addition, because the appraiser does not have to be appointed by City Council, the appraiser could be selected from a list which has been approved by the Real Estate Branch.

City Council Communication. Currently, after the JRC approves an item, a Request for Council Action is prepared and the item is forwarded to City Council for approval of the JRC recommendation and the appointment of appraisers. This process normally takes approximately four (4) to six (6) weeks. The JRC recommendation is submitted to City Council for two reasons. First, the City Charter requires the appraisers be appointed by City Council and, second, the Request for Council Action is used to "notify" City Council Members of the proposed project in order to determine if there is any opposition on City Council to the project.

Assuming that the appointment of appraisers can be delegated or a standing list of approved appraisers can be "appointed" by City Council, it should be optional for the JRC recommendation to be submitted to City Council for approval by motion. In the event the JRC recommendation is not submitted to City Council for approval by motion, a notification describing the project and containing the identical information contained in the Request for Council Action would be circulated to the City Council Members.

Process Management Improvements.   Many applications received by the City are incomplete or unclear and cannot be processed when received by the JRC. Improvements in the

process management function would, in the view of the Task Force, provide for an educated consumer and a transparent process which should result in increased efficiency and reduce City of Houston processing time. The recommended improvements are as follows:

- Institute a "submittal day" each week in which an applicant can submit a JRC application and have it reviewed for completeness at that time. An incomplete application could be resubmitted when corrected.

- Provide information to the potential applicants regarding the process, including activities and timelines.

- Publish a list of common mistakes and develop a list of "frequently asked questions" related to Joint Referral.

- Implement a tracking system whereby an applicant can check on the status of a Joint Referral matter on the City of Houston website.

- Provide for coordination of the management, oversight and problem solving related to Joint Referral and other economic development matters in the Mayor's Office by the appointment of a Deputy Chief of Staff for Economic Development.

Appendix H

AIA National Building Permit Workshop

Building Transcript Narrative

AIA Government Advocacy
January 2004

Building Transcript Narrative
AIA Government Advocacy
January 2004

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Architects and Building Officials Tackle Permit Process Problems

In January 2004, the AIA Government Affairs team brought together representatives of 10 major cities to discuss ways to streamline the construction permitting process. Building officials and architects from Atlanta, Boston, Chicago, Houston, Los Angeles, New York City, Philadelphia, San Francisco, Seattle, and Washington, D.C., at AIA headquarters in Washington, D.C., to examine the negative impacts of permitting problems, particularly delays, in the United States. They reviewed cities' attempts to improve the permitting process, challenges they continue to face, and ways the AIA could help them improve their systems.

Efficient Building Permit Process as Economic Driver

The AIA national component recognizes a need to streamline the permit process and identify innovative best practices to recommend to our nation's municipal leaders. Domestic building construction is a $1.1 billion industry. Together, the real estate and construction industries comprise the largest single component of our economy, representing 20 percent of the gross domestic product and more than 70 percent of our national wealth. Unfortunately, far too often design projects are met with confusing building regulations and inefficient review processes that can cause significant delays in construction time. Participants offered examples of how a delay in the building permit process can affect the economic development of a community:

- According to the director of the Office of Building Codes and Services in Fairfax County, Virginia, "a major developer of a high-rise residential structure has told us that a single day's delay in the county's building regulatory process costs his firm $100,000 in added costs. That is why we have streamlined our building regulatory system."

- Denver's mismanagement of its development is a serious problem, fueling growth at city edges and providing incentives for cookie-cutter projects. Extending length and depth of reviews drives up construction costs, making construction of affordable housing difficult. All of these hurt Denver's economy.

- Intel estimates that a single day's delay costs the firm $1 million in time and money. Regulatory streamlining in Oregon facilitated Intel's decision to build in the state. The site was completed in just 18 months at a cost of $2 billion. The plant will employ 1,000 Oregonians initially and then expand to 2,000 when it reaches full production. When Intel is considering construction of a chip plant in the United States, its existing production facilities

in Arizona, New Mexico, California, and Oregon compete to submit the most cost-effective construction proposal. Major factors affecting the final decision are the cost and amount of time needed to move through the building regulation system of each of those states or their local jurisdictions.

- Lowe's is planning to open 130 stores this year and 140 stores next year. Lowe's usually has more problems with its store locations on the east and west coasts and in the bigger cities. Because there is a substantial economic impact in those regions, Lowe's would be willing to pay extra money to have the permitting system work more efficiently.

- The Walt Disney Company wanted to hold an event in Los Angeles for New Year's Eve. Disney stated that if Los Angeles could not approve the permits within three weeks to the day the event was to be held, it would hold the event elsewhere. Los Angeles was able to meet the three-week deadline, but if it had been unable to do so, the city would have lost revenue, including related inspection fees.

- A manufacturer planned to open a facility to produce computer chips. Throughout the development process, the manufacturer worked closely with the building department. Unfortunately, delays in the permitting process forced the manufacturer to go out of business the day the facility was scheduled to open. Because the manufacturer failed to bring the product to market in a timely fashion, its intended client contracted with another company to supply the computer chips.

- Ninety percent of the products that Hewlett Packard manufactures have a life span of less than 12 months. (The life span is the period from the time the products are conceived to the time that they are out of date.) For this reason, the company is much more likely to favor a permitting process that takes two weeks rather than two months.

Delays in the building permit process can also exacerbate inequity in the industry. Although big developers can afford to wait for long periods for permits to come through, small- and medium-sized developers often cannot. They can suffer business failure or loss of livelihood if impeded from completing their projects. Demonstrating how the status quo in the permit process can favor bigger developers, Robert Stockwell, AIA, of Washington, D.C., offered: "In a meeting about a year-and-a-half ago, a major developer stated specifically that he didn't want the permit process in the District to improve because he had already figured out how he was going to get his permits. And it didn't matter if it stayed unorganized because he had his little thing going. And that really bothered me. But he was a big developer, in fact one of the most major developers in one section of the city." A more efficient system puts the large and small developers on more equal footing, encouraging more people to build more buildings, which ultimately boosts the economy.

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Improvements in U.S. Cities' Building Departments

An increasing need to compete has forced many city leaders to abandon ineffective procedures and create a more viable economic climate. Implementing measures to streamline the building regulatory process allows construction projects to be completed faster, better, safer, and at lower cost.

The roundtable discussion of streamlining the building permit process addressed many types of improvements and strides made by major U.S. cities in departmental organization, programs, codes, technology, funding, certification, customer service, and mayoral involvement.

Chicago

Chicago's building department was recently reorganized to help minimize the time it takes to issue a permit. The waiting period had been extremely long—sometimes up to a year. Several improvements resulted from the reorganization, the most significant of which was the decision to separate the permitting process from the inspection process. The Department of Construction and Permits issues permits, and the Department of Buildings handles the inspections after the permit is issued. Chicago offers five different code permitting processes and last year issued more than 72,000 permits. It has adopted the IBC model but wrote its own code, based on the IBC. This year the city might decide to use the IBC alone instead.

Chicago's department also offers self-certification to projects for which occupancy or fire code requirements do not change. Interior renovations and prototype buildings (single-family homes, standard Home Depot buildings, etc.) would be eligible as well. Self-certification requires taking a class, which costs $2,500. The Department of Construction and Permits checks the drawings for zoning, but the city conducts no further review.

Improving customer service has also played an important role in streamlining Chicago's department. When customers visit the department, representatives attend to them and direct them to the appropriate permitting sections. Customers need an appointment to meet with either developer service (responsible for big projects) or normal process (responsible for small and medium projects). Developer service assigns every project to a project administrator, who walks through the project with the developer, explains all the permits required for the project, and obtains these permits for the customer.

Chicago's building department continues to make technological improvements. All of its forms and checklists are available online to customers, and just last year, the building department tested an online review process with developer services. To start the process, the architect uploads drawings to the Web using Web-based software called ImageSite from eQuorum. The project administrator then logs into her/his system and moves the drawings through the review process. The program produces a checklist of deficiencies to be reviewed and resolved by the project administrator and the architect. The pilot program ran for three months; a follow-up assessment found it was beneficial, and, as a result, the city is now getting funds to begin full implementation.

The city also is slowly phasing in Hanson technology-based services, beginning by using Hanson to permit garages and water heaters. The next step, using Hanson for online appointment requests, was supposed to be online in January but is delayed until June because of implementation difficulties.

Phoenix

Phoenix has successfully implemented third-party review of buildings for permits. The city approved several engineering firms to review buildings for a fee. A three-day review is possible for a higher fee. For 25 percent more than the regular city plan check fee, a developer can get the first review within ten days and the second within five. The city must complete a site review. Phoenix has also developed a process whereby a single project manager tracks all aspects of the permitting process and coordinates staff functions for each member involved with the review. The benefit of this system is that it provides a central point of contact in an otherwise complex and often confusing process.

New York

New York City's permit process has benefited from both longstanding and newly introduced practices in revenue, codes, certification, and technology. The building department generates double the revenue that it is appropriated from the budget, and the city has adopted the IBC. The city has had a self-certification process since 1976. Applications that don't affect use, egress, or occupancy are eligible. The building department conducts a limited review for zoning and accessibility compliance.

Professional certification is used for about 40 percent of all applications. Only licensed design professionals can obtain professional certification. The department monitors the system by auditing 20 percent of the professional certification applications. Mistakes are found in 40 percent of those audited; however, three-fourths of the applications with mistakes come from the same developer. Citizens often criticize the professional certification process, citing practices that have resulted in frequent building or zoning violations. The New York City Council will hold hearings in the spring to examine problems and possible solutions to professional certification.

San Francisco

To address concerns about the efficiency of the city's permitting process, San Francisco's new mayor has appointed a monitor to oversee the building department. The city currently has several plan check review processes, including a rapid turnaround for projects that do not require major modifications and a fast-track approval process for nonprototypical buildings.

San Francisco also offers major developers an interdepartmental coordination review conference. In the conference, developers can ask about the basic building code, address the many code amendments relevant to their projects, and assess the time frame for review of not only the Department of Building Inspection but also the public works department and the department of transportation. At the end of the meeting, interpretations are written and delivered to the project sponsor and applied to the building plans. This process is extremely helpful to developers and speeds up the process immensely.

Philadelphia

When Philadelphia's current mayor took office, he said he wanted "people to get permits online rather than in line." He challenged the departments to move in that direction, and, as a result, the city has made many improvements. Philadelphia has a contract with Hanson for its technology needs and plans to allow parts of the permitting process to be conducted online. Codes have been standardized using the national code series, and the city has adopted the BOCA fire code. With all the codes interconnected, the building plan examiner can also review the fire code, completing two reviews for the city at once and reducing the wait time from six weeks to three.

The city also offers an optional accelerated plan review process to architects or developers who pay an additional fee to have their plans reviewed on overtime. This process allows the city to expedite reviews without using department funds. Also, to help streamline the process, the city has assigned an inspector to take phone calls from architects and offer beneficial but essentially

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off-the-record, unofficial opinions in the interest of compliance. Finally, in response to developer complaints of the regulatory complexities, the city has established a privately funded study group. The group is scheduled to give a report in March 2004.

Seattle

Improvements in Seattle's permitting process started around 1996 when a court case challenged the department's use and appropriation of fees. The suit resulted in a council establishing principles on the expenditure of money and set-asides from development fees. Eighteen percent of the department budget comes from the general fund; the remainder is funded by development fees. Using development fees is beneficial because when there is a development boom the department has extra revenue to help cover expenses when the economy slows down.

Soon after Seattle's mayor was elected in 2002, he set up an economic opportunity task force. Two of the most important recommendations of the task force's report, issued six months later, were to improve the permit process and to simplify the code. Seattle uses subject-to-field-inspection (STFI) permits for smaller projects that don't require plan reviews and can be approved in the field. Inspector-authorized permits (IAPs) are used for larger projects that do not meet STFI permit criteria. In addition, the city uses Hanson for over-the-counter permits and code compliance and has started to put land use and construction on Hanson as well. Developers can also check the status of their projects' major milestones online.

Los Angeles

The Los Angeles Department of Building and Safety has 900 employees, consisting of approximately 200 engineers, 500 inspectors, and 200 support staff. The department issues about 140,000 permits per year with a construction valuation of more than $3 billion per year. Los Angeles has greatly improved its permit process. What once took months now takes days and

weeks. In fact, some plan reviews that used to take four or five months now take four or five days. For another illustration of department efficiency, consider this: each year, the department receives approximately 300,000 walk-in customers. Despite this heavy volume, the average customer wait-time has been reduced to seven minutes.

To reach its higher level of efficiency, the Los Angeles department made changes in technology, customer service, funding, and code. Issuing permits over the Internet greatly improved the city's permitting process. The city has issued 30,000 permits over the Internet using a combination of internally developed and Hanson software for permitting, and also uses Hanson for code enforcement.

In the last five years, the department has created one-stop centers in five locations throughout the city. Through its Guaranteed Express Permit Program, the city guarantees that if you are not served within 30 minutes of walking through the door or have not received your permits within 60 minutes of the start of service, your permit is free. Around 100,000 permits per year are eligible for the Guaranteed Express Permit Program, and since the program was implemented the department has issued over a quarter million permits.

A one-stop call center, open from 7:00 a.m. to 5:00 p.m. daily, handles approximately 750,000 phone calls a year. Before the call center was established, more than 100 separate department listings appeared in the phone directory. Customers also can request an inspection over the Internet or via touchtone phone 24 hours a day and can expedite the permitting process by paying a fee, which is used to pay staff overtime; the extra work is done on the weekend.

Los Angeles formed a Citizen Industrial Advisory Committee to oversee a fund that is created by a two percent surcharge on every permit issued. The money goes into the general fund, but is

earmarked to pay for all of the improvements implemented by the City of Los Angeles Department of Building and Safety.

Code uniformity under the Los Angeles Regional Uniform Code Program has helped reduce the number of local amendments from around 2,000 to 50. By creating a uniform regional code, Los Angeles hopes to draw developers who could easily turn to Mexico for their projects, where labor and land are cheaper and no environmental impact reports are required. Los Angeles' goal of staying competitive and providing a better, faster, and cheaper system is greatly assisted by keeping codes uniform.

Boston

Boston's building department has a fast-track system in place for building projects without zoning problems or fire, egress, or similar issues. Still, more improvements remain to be made. A task force formed by the city produced a study that contains 43 specific recommendations for streamlining the city's permitting process (a copy of the study was provided to meeting participants and is available through the AIA national component). The mayor will appoint an advisory committee to implement the study's recommendations.

Washington, D.C.

The Washington, D.C., department offers a preliminary design review for architects who are confused about the permit process. For a fee, these individuals can meet with plan reviewers and facilitate the review process. The D.C. department also allows self-certification for structural aspects of buildings and has been working with Hanson for six years to get some parts of the permit process online. Unfortunately, not much progress has been made, probably because of lack of funding. Revenue raised by department fees goes into the general fund.

Other efforts

Several participants gave examples of other community efforts to improve the permitting process.

Milwaukee's Predevelopment Roundtable program allows the owner's team to discuss the project with government representatives before it is submitted for official review. The resulting communications allow stakeholders to understand what is required of them, which increases efficiency and reduces the need for requests for additional documentation. The process helps eliminate impediments and allows permits to be issued more quickly.

The International Code Council reviews plans before project submission and returns them with comments indicating where there is noncompliance. This process allows the owner's team to remedy any potential problems before the plans are submitted to the municipality for official review.

The City of Dallas is setting up a new expedited plan review program. The architect submits the plans for a $500 fee and an hourly rate. Within two weeks the entire team that signs off on the plans convenes for a one-day meeting with the architect and the contractor. During the meeting, the architect and contractor sit down and review the plans to identify any problems that might prevent or delay approval.

Challenges to Streamlining

Despite their streamlining efforts and permit process improvements, all the cities still face some problems. According to building department representatives, the two biggest challenges for Chicago's building permit process are implementing the IBC and communicating and coordinating between the Department of Construction and Permits and other permitting agencies. One of Seattle's biggest problems also is lack of interdepartmental coordination. As a result,

Seattle's mayor issued an executive order that requires the departments to work together and share technology, timelines, and goals. The San Francisco department has problems with intradepartmental communications. Plan checking and inspection services are part of the same department and one side is catching the omissions of the other. Budget cuts in San Francisco have impeded the fast-track option and resulted in staff cutbacks. In addition, as part of the voter referendum that created the Department of Building Inspection's commission, the department must keep and administer its own fees, a requirement that does not always benefit the department.

Philadelphia's unions (e.g. plumber unions) have a huge influence on that city's code, causing variances with national standards, higher costs for clients, and confusion in enforcement. The biggest challenge facing Los Angeles is the possibility that California will not adopt the International Building Code as its statewide model. In Boston, department revenues exceed the appropriated amounts by 55 and 75 percent, but the money collected for fees goes into the general fund and is then reappropriated without earmarks. Massachusetts laws on local finance do not allow the funneling of funds back into the department. In Washington, large developers know how to use the system and are able to get their permits easily, but small developers seem to have problems—either they are unprepared for the process or their plans are not accurate.

Budget problems

A big impediment for many cities is the lack of a proper revenue stream. One solution to this problem is *shared funding,* a process whereby government and private sector stakeholders share the cost funding processes, allowing for faster, friendlier, more efficient service. The benefit to this cost-sharing relationship is that building departments are not as dependent on sometimes unpredictable municipal budgets.

Understaffed departments

Many departments want to increase staff to help decrease permitting delays, but such a move is costly and, given budget constraints, may not be feasible. To overcome this limitation, many building departments have resorted to increasing overtime. This is only a partial solution, however. When staff members are required to work longer hours, they "burn out" quickly and leave the department. With increased burnout, an already overburdened staff is pressed that much harder, resulting in even longer wait times for individuals with permit requests.

Underestimating the links between efficiency and economic growth

Some municipalities suffer problems greater than budgetary and staffing deficiencies. For example, many officials think that governments do not need to make the permit process more efficient because, in their opinion, they have a captured client base. Operating under this misguided perception can dampen a municipality's long-term economic growth. Meeting participant David Perri, of Philadelphia, shared this illustrative comment:

> "I'm in competition with everybody in this room. I want my process better than Norman's because I want to encourage people to build in Philadelphia rather than in his city. And the attitude out there is just amazing. I was at a high-level budget meeting and had asked for some money to improve our customer service area. I was told, 'What do you need to improve the process for; you have a monopoly,' meaning that no one else can issue permits. And, of course, an hour later I thought of a response which I should have said: 'No, we don't have a monopoly. People who aren't happy with Philadelphia can go to Camden, Washington, or anywhere else in this country. So you've got to look at it as if you are in competition. Whoever has the best process is going to encourage the most development."

Opportunities for Improvement

Municipal building department efforts

Although many municipalities find it difficult to streamline their processes, the challenges are not intractable. Throughout the discussion, participants offered many ideas and innovations that are

already available in permit review departments across the country. Based on the discussion, participants listed the following ways in which building departments could improve their systems:

- one-stop permitting processes
- fees for expediting
- consultations before final project submission
- online permitting processes
- self-certification
- guidelines or checklists issued ahead of time (process road map)
- third-party plan review
- preliminary building permits
- greeter/facilitator "triage" (to meet customers and direct them to the appropriate area)
- better published documentation of permit office and code procedures for the public
- a customer call center
- a licensed engineer or architect in the department's chain of command
- advocacy of career paths for architects in the fields of building inspection and code enforcement
- adequate funding by an enterprise fund or some other source
- uniform zoning codes
- staff education in building code concepts, theory, and principles
- better communications between the building inspection department and the plan reviewers, so there are fewer problems in the field and fewer delays
- adoption of the International Building Code (said to be 10 to 15 percent cheaper than some other codes)
- AIA architect agreements that require some kind of concept code review in the early phases
- professionalization of the rank and file, especially field inspectors, who should expect training when they are hired and after they are hired
- mandatory cross-training and job-swapping between field inspectors and plan reviewers
- periodic sensitivity sessions with staff who interact most with clients.

Education and training

In addition to improving the process from the municipal perspective, there was consensus among participants that architects also can contribute, by pursuing and promoting career paths, formal education, and real-world training relevant to the building permit process. It is expected, for

example, that architecture students who take more courses covering building code issues will create plans and drawings that are in better compliance with the code. Unfortunately, many architecture schools do not give students a proper appreciation for the building code and its purpose in the planning process.

Participants also asserted that architects already practicing should learn why building departments have permit delays. All architects should be trained to perform a code analysis on their projects to ensure that the plans they submit are well documented and researched. Finally, it is important that architects know and understand the code's underlying principles. Participants stressed repeatedly that the intent is as important as the actual language.

Many speakers focused on the need for municipalities to re-educate their staffs. Within many building departments, staff members become specialists trained to do only one task. Unfortunately, if that staff member is sick or unavailable, the permit review process stops. These delays can be easily resolved by ensuring more staff are cross-trained in multiple tasks.

Like architects, building officials and field inspectors need to be educated on the intent and principles of the building code. Lacking such understanding, many officials are not willing to interpret the code liberally and thus cause avoidable permit delays.

AIA action

At the conclusion of the meeting, participants discussed how the AIA should assist in improving the nation's permitting process. They recommended that the AIA produce a report outlining best practices municipalities could adopt to streamline their permit process. But first, they said, the AIA must address the following fundamental questions:

- What exactly is the "building permit process"? The term can mean different things": Does it mean the review in issuing the building permit only, or does it mean a beginning-to-end review including land use, environmental review, permit review, certificate of occupancy, etc.

- How is success defined in the context of the building permit process? Is it a streamlined process that allows for more efficient issuance of permits? Is it an increased number of permits requested? Is it both of these factors, or is it some other factor not yet discussed?

- What constituencies are affected by the permit process? It is important to understand the audience the report is trying to reach. Is it architects, building officials, building owners, or all of them?

- What should the role of building inspectors be in the permit process? Because many municipalities define the role differently, it is important to draft a common definition to avoid confusion.

With terms and roles properly defined, the report should demonstrate the vital role architects play in the building permit process, and other stakeholders will come to appreciate the architects' input. Participants of the meeting also suggested that AIA Continuing Education should sponsor a roundtable discussion during the convention and at Grassroots. While each municipality is different, a general discussion can get members thinking about the problems and solutions. The AIA also should encourage prominent individuals within communities and affected industries to be spokespeople. Real-life testimony can give credibility to solutions contained in an AIA-sponsored report. Lastly, it was suggested that the AIA approach other trade groups and organizations such as BOMA and AGC to spread the word about this issue.